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THE FINANCIAL SYSTEM OF JAPAN.

BY COUNT M. MATSUKATA, FORMERLY PRIME MINISTER AND FINANCE MINISTER OF JAPAN.

In compliance with the request of the Editor of the North American Review, I propose in these pages to trace briefly the development of the financial system in Japan since the inauguration of the present era. As the Restoration of 1868 was an event necessitated by the force of circumstances, it was accomplished with comparative ease, so far as the transfer of political power from the Shogunate to the theoretically legitimate Imperial Government was concerned. But Japan had then to enter upon a new course in her national and international existence. It was necessary for the hitherto isolated nation to remodel its institutions fundamentally, in order to equip itself for intercourse with the Western countries and for participation in the general progress of the world. The fall of the Shogunate and the revival of the Imperial rule constituted thus only the beginning of a difficult and complicated task—the making of New Japan. It is with one important aspect of this task that I purpose to deal in the present sketch.

It is not surprising that a government emerging from the throes of a revolution should be financially embarrassed at the outset. But the case of our Imperial government after its

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restoration to actual power was an exceptionally peculiar one, owing to the nature of the government it had replaced—a circumstance to which I shall advert presently. The chaotic condition of the finances of the new government may be inferred from the fact that, in the first year of its existence, the revenue accruing from taxation was little more than one-tenth of the expenditure, and that the deficit had to be met chiefly by the issue of inconvertible notes.* Nor was this state of things confined to the year immediately following the Restoration, for it was not until a few years afterwards that the issue of notes ceased to be an important item of the revenue. One of the most pressing needs of the new government was, therefore, to secure sufficient resources for the public Treasury by establishing a proper system of taxation; and, in doing this, care had to be taken to make the new system consonant with the policy of facilitating and encouraging the economic progress of the nation.

It is a known characteristic of the feudal system that under it there is no clear distinction between administrative powers and proprietary rights. Japan under the Shogunate was no exception to the rule. The lords of the fiefs, into which the country was divided, not only governed, but also held a sort of proprietary right over, their respective domains, with the result that the rights of the people over their estates were restricted in more ways than one, and that the land-tax had much of the nature of rent. The tax paid in rice was the main source of the lords' revenues; though, in the lack of any fixed and common system of taxation, its rate varied in the various fiefs, while other miscellaneous duties were imposed according to the industrial conditions of the different localities. Hence the burdens of the agricultural population were unduly heavy, the rate of the tax on land ranging between thirty and seventy per cent. of its net produce. As to the people in general, their position as taxpayers was ill-defined and vexatious, liable as they were to the arbitrary imposition of irregular contributions in the form of money and personal service. In fact, the feudal system under the Shogunate was a military organization, in which the welfare of the agricultural, industrial and commercial classes was avowedly and wantonly sacrificed for the maintenance of the warrior class.

* The chief items of the revenue in 1868 were as follows: Taxes, 3,157,310 yen; issue of notes, 24,037,390 yen; loans, 4,732,482 yen; etc.

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While the position of the people as taxpayers was thus ill-defined, the position of the Shogunate as the central government was also financially a peculiar one. The Shogunate exercised a supreme authority over all the clans, but the whole country was not under its direct government. The lords of the clans, holding their domains by grant or recognition of the Shogunate, were required, in case of need, to put their military force at its disposal, and to render it certain other services. Contributions, not very great in amount, were also made by some of the clans to the revenue of the Shogunate; but no tax was to be directly imposed by the central government upon the subjects of the lords of the various fiefs. The ordinary revenue of the Shogunate was raised principally from the territories reserved as its own, in distinction from those granted to the clans. It would seem, therefore, that in this respect the Shogunate was not much more than the greatest of the clans.

Now it will be easy to understand how the financial difficulties of the newly restored Imperial government were aggravated by the peculiar nature of its predecessor. In 1868, the central authority was, indeed, transferred to the Imperial government, but the resources of the whole country were not yet under its command. It was not enough for the new government simply to take the place of the old; but the social and political organization had to be radically altered so as to meet the requirements of the novel situation. Before anything like a sound financial adjustment could be hoped for, it was essential to effect the complete abolition of the feudal system—especially the particularism of the clans and the undue privileges of the warrior class.

The impulse toward unification, conscious in certain sections of the nation and unconscious in others, was indeed one of the most potent causes of the Restoration, and, by the time it was effected, the centralization of authority was almost universally perceived to be an indispensable antecedent to the establishment of the new order. Thus, in 1869, the second year after the Restoration, all the clans of their own accord surrendered their "domains and people" to the Imperial government, and, in 1871, a prefectural system was instituted for the administration of the whole country, putting it under the direct control of the central government.* The feudal privileges of the clans and clansmen

*Even after surrendering their "domains and people" to the Imperial

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were thus abolished, and the country was to be henceforth governed by uniform laws, before which all sorts and conditions of people were to stand on a footing of equality.

One of the important results of the abolition of the feudal system was that it became possible to make a clear distinction between administrative powers over the territory and proprietary rights over the soil, which were inseparably united under the authority of the Shogunate and of the lords of the clans. In the petition of the lords for permission to surrender their "domains and people" to the Imperial government, the reason given for their decision was that, "since all domains and people belong to the Emperor, we, subjects of His Majesty, must not own them privately." In confirming the territorial sovereignty over the domains thus put at its disposal, the new government retained the sovereign administrative power according to the modern principles of public law, while the proprietary right over land was granted to private persons. Herein was laid the foundation for a stable financial system calculated to secure sufficient revenues to the government, and to put the obligation of the people as taxpayers on a well-defined and uniform basis. The first and most far-reaching step toward the full establishment of the new system was the reform of the land-tax, a measure so far-reaching in its effects that it is indeed to be counted among the most weighty events in the annals of New Japan. However, in order to appreciate the importance of this reform justly, it must be looked at in co-ordination with some other achievements of recognized prominence.

Among the fundamental principles of the new régime, as announced in the famous Five Articles of the Imperial Oath which were promulgated on the very morrow of the Restoration, three may be noticed as standing out most conspicuously, namely: the active participation of the nation in the progress of the world, respect for public opinion in the direction of state affairs, and the social emancipation of the whole populace.* As the respect for public opinion culminated in the introduction of the represen-

Government, the lords of the clans were appointed governors of the districts corresponding to their former domains, and allowed to retain a large portion of the power exercised by them under the Shogunate. The change of 1869 was, therefore, only nominal. The real abolition of the feudal privileges dates from the establishment of the prefectural system, under which the former lords were entirely replaced by agents of the central Government as local governors.

*The third article of the Oath says that every man, even among the common people, should be allowed to have full scope for his abilities.

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tative system, and the policy of active participation in the general progress led to the acquisition of a perfect international status in consequence of the revision of treaties, so the emancipation of the people prepared the way for a remarkable display of economic activity. Of course, no definite time can be pointed to as marking the consummation of the last of these eventualities, as in the case of the other two. If, however, it were to be commemorated in association with some event, the land-tax reform would be the most fitting one. In the overthrow of the feudal system, the abolition of the privileges of the warrior class paved the way for constructive effort in the work of emancipation; in this constructive work, the land-tax reform, confirming the most important form of private property, was the greatest legislative measure.

The reform of the land-tax was proposed in 1869; the fundamental laws relating to this reform were promulgated in 1873; and in 1881 the reform was finally accomplished. Though the measure was called a reform, it was in reality nothing less than the genesis of a uniform system which had been at once made possible and necessitated by the political unification of the country. The salient features of the new system may be epitomized as follows:

(1.) The proprietary right of private persons over land was recognized and confirmed by conferring title-deeds upon them. In Europe, there seem to have been cases in which feudal domains were retained as private possessions either by the Crown or by the feudatories, even after the political system of overlordship ceased to exist. Consequently, the conversion of the feudal tenure of land into perfect proprietorship by the common people had sometimes to be effected by purchase. But the case was different in Japan, all occupiers of land there being at once, and without any transaction of a personal character, recognized as owners of the respective lands actually held by them.*

(2.) Restrictions on the people's right over their landed estates were taken away. This was but a corollary of the recognition of their perfect ownership. Under the Shogunate, the sale and purchase of land were forbidden, though various means of evading the law were not unknown. The feudal tenants also had

*For giving up their domains, the feudal lords and their retainers were indemnified by the grant of Government loan bonds, on which they drew the interest.

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not absolute liberty to decide for themselves as to what products they should raise from the land they cultivated. Since each clan aimed at being self-sustaining, as far as possible, in its supplies, and as the production of rice was everywhere considered important above all, official interference was exercised sometimes even to the detriment of the real capabilities of the soil. But the perfect proprietorship of land confirmed by the land-tax reform included, as a matter of course, the right of alienating or exploiting it according to the free choice of the owner, so that the resources of the country might be developed and utilized to the best advantage.

(3.) As the basis of taxation, an official assessment of the value of land was made throughout the country. This will account for the fact that rather a long time was required for the accomplishment of the land-tax reform. Under the Shogunate, the produce of land was the basis of taxation, so that the annual crop had to be officially examined from time to time. Not only was the process highly embarrassing to all concerned, but it was not calculated to secure a steady public revenue. The adoption of the new basis of taxation was to be desired from all points of view; only the undertaking was one of tremendous magnitude. The difficulties attending the cadastral survey are so great that, if I am correctly informed, it has not been finished or even attempted at all in certain countries of Europe, one of them having failed to accomplish it after working at it for forty-three long years. But the new government of Japan, impetuously bent on reform and progress, was strongly determined to overcome every difficulty in carrying it through. In assessing the value of land, the annual amount of its net produce over an average of five years was first converted into a money value according to its average price for the same period; and then, this money value of the produce being considered as interest, the amount of capital estimated as necessary for yielding it was taken as the value of the land. By this method the official valuation of the land was completed in 1881, and it was revised in 1899, with a view to removing certain defects. Japan has thus at present a cadastre of tolerable perfection.

(4.) The land-tax was made payable in money, whereas under the Shogunate it had to be paid in rice and other produce. With this change, the quasi-rental character of the land-tax entirely

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disappeared, and its rate was fixed at a percentage of the legal value of land. The burden of the agricultural population was also considerably lessened, for the tax on land was fixed, at the time of the initiation of the reform, at three per cent., and in 1877 reduced to two and one-half per cent. of its legal value, at which rate the tax remained till the recent augmentation of taxes as a part of the so-called *post bellum* financial programme.

The signification of the land-tax reform will be manifest from the preceding summary. Land being, after all, the basis of our material life, there can be no question about the great importance of a radical change in the system of land tenure. It may be said, indeed, that the land-tax reform ushered in the social conditions under which a free play of the economic forces of the country became possible. The general principle that the obligation of the people as taxpayers should be regulated by proper laws was also implied in, and exemplified by, the land-tax legislation—a principle which was afterwards expressly guaranteed by a provision of the Constitution.

As regards the revenue of the government, it was natural, in the early years of the present era, that by far the largest portion of it should come from the land-tax; for Japan of old was essentially an agricultural country, other industries having yet to be developed under the new régime. Even in 1881, the year in which the land-tax reform was completed, the yield of that tax, which was the sole direct tax imposed at the time, amounted to 42,000,000 yen in a total taxation of 60,000,000 yen.* The fundamental source of the national revenue was thus the land-tax. But, to meet the increasing public needs of the rapidly progressing country, it was necessary to seek, besides the comparatively stationary land-tax, such sources of revenue as expand automatically in proportion to the growth of national wealth. Hence, after a careful examination of the items of miscellaneous taxation that had existed under the Shogunate, the new government imposed certain indirect taxes; and in 1887 the income tax, at a rate of from one to three per cent., was introduced as a new direct tax. Among the indirect imposts, the *sake*† tax has probably occupied the most important place from olden times, though for-

* These figures are given in round numbers, as is the case in other similar passages of the present article.

† Generic name of intoxicating liquors; in particular the common drink of the Japanese, brewed from rice.

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merly there appears to have been no fixed system of taxing alcoholic drinks. The adoption of the present basis of taxation—the amount of *sake* brewed in the measure of *koku**—dates from 1878. The rate of the *sake* tax, which has been raised several times since it was first fixed on the new basis, stood at four yen per *koku* before the inception of the *post bellum* programme. Since the war with China has given rise to considerable changes in the financial condition of Japan, it may be well to give here the figures showing the main items of the national revenue in the year before the memorable event:

THE ORDINARY REVENUES IN 1893:

Land tax	Yen 38,808,680
Income tax	1,238,763
Sake tax	16,637,436
Customs duties	5,125,372
Other taxes	8,194,512
Total taxation	Yen 70,004,763
Revenue from Government industries and Government property	11,743,268
Miscellaneous receipts	4,135,049
Grand total	Yen 85,883,080

After the war of 1894-5, the national expenditures increased remarkably, in consequence of the various schemes intended to enable the country to face the new situation in the Far East. The extraordinary expenditures were to be met by appropriating the war indemnity, and by raising public loans; but, to meet the increase of the ordinary expenditures, there was no choice but to increase the taxes, which means has since then been thrice resorted to—first in 1896, then in 1899, and a third time last year. The augmentation in the annual revenue resulting from these measures of increased taxation is estimated at 95,000,000 yen. I shall now give a brief account of the more important items of this increase.

The rate of the *sake* tax was raised to seven yen per *koku* in 1896, to twelve yen per *koku* in 1899, and to fifteen yen per *koku* last year. The scheme adopted at a recent session of the Diet includes also a new tax on beer at the rate of seven yen per *koku*. Taken all together, the estimated annual increase of the tax on alcoholic beverages amounts to 42,000,000 yen, with the result that this kind of tax now occupies the foremost place, not only among the indirect taxes, but among all the taxes, whether indirect or direct, including the land tax.

*One koku is equal to 39.7 gallons.

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The rate of the land tax was raised* in 1899 to 3.3 per cent. of the legal value of land, the annual increase of revenue that results from it being estimated at 8,000,000 yen. There is, however, a peculiar circumstance which ought to be remembered in connection with the increase of the land tax. Owing to various circumstances, notably the rise in the price of its produce, the real value of land has been at least trebled, on the average, since its legal value was assessed at the basis of taxation; so that there is at present a wide discrepancy between its real and its legal value. Therefore, even with the above-mentioned increase, the rate of the tax on land is hardly more than one per cent. of its real value. In fact, the recent increase of the land-tax is only a partial set-off to the relative reduction of the burden of land owners that has automatically come about since the date of the land-tax reform.

Besides raising the rates of the income tax to between one and five and one-half per cent., the business tax was added in 1896 to the list of direct national taxes.† The rates and standards of this new tax are too complex to be summarized in a few words. It may suffice to observe that it is imposed upon business of various descriptions above a certain amount. The importance of this kind of tax lies in its bearing upon the distribution of the franchise; for the payment of a certain amount of direct national taxes is one of the qualifications for an elector of the members of the House of Representatives. While the payers of the land-tax are mostly of the agricultural class, the payers of the business-tax are mostly of the commercial and industrial classes. The introduction of the latter tax as a direct national tax, therefore, is calculated to counteract in some measure the political preponderance of the agricultural population. This is a sign of the times, showing the commercial and industrial development of the country.

The government monopoly of leaf-tobacco is a new feature of our financial systems, as remodelled in accordance with the *post bellum* programme. The establishment of this monopoly was intended to increase the national revenue, and, at the same time, to relieve the tobacco trade of vexatious regulations connected with the stamp and license duties on it that had formerly existed.

* The increase of the land tax was agreed to as a temporary measure for a period of five years, at the end of which the question will have to be reconsidered.

† Various forms of business tax were formerly imposed as local taxes.

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While, on the one hand, the *post bellum* programme has introduced new taxes and increased old ones, certain taxes, on the other hand, have been abolished, with a view to simplifying the system of taxation. Besides those referred to in the preceding paragraphs, the internal taxes existing at present are the soy tax, drug tax, registration tax, stamp duties, sugar tax,* etc.

The customs duties were but a scanty source of revenue in the opening years of the present era, owing to the limitation, by the old treaties, of import and export duties to five per cent. *ad valorem,* as well as to the small volume of foreign trade at the time. For many years, indeed, the customs receipts did not exceed 3,000,000 yen. But, in consequence of the remarkable growth of foreign commerce, the revenue from the customs duties increased considerably in recent years, even under the old treaties, and amounted to 9,000,000 yen in 1898. In addition to this, the following year saw the revised treaties put into operation, and they, in a large measure, restored tariff autonomy to this country. With the taking effect of the new treaties, the export duties were entirely abolished, and a statutory tariff was generally applied to imports, the new rates of duties varying from five to thirty-five per cent. *ad valorem,* according to the kinds of commodities. A marked increase in the revenue from the customs duties ensued at once, as will be seen from the receipts under this head for 1899 and 1900, which were respectively 15,900,000 yen and 16,900,000 yen. Henceforth, the customs duties may be counted as one of the chief items of the state revenue. Moreover, the Japanese government has now acquired greater freedom in regulating the general system of taxation, because import duties on certain articles may be raised to degrees corresponding to the internal taxes on similar articles, as has been already done in the case of alcoholic drinks and tobacco. We have thus recovered tariff autonomy, so far as the general principle is concerned. But it is to be deplored that the import duties on certain important commodities are still limited by our treaties with a few countries, of which, I am happy to say, the United States is not one. Not that the Japanese nation contemplates adopting a policy of protection, and finds an obstacle to the adoption of such a policy in the remaining restrictions on tariff autonomy. Conventional tariffs on the basis of reciprocity

* This tax went into operation on the 1st of October last.

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may also be welcome to Japan. All we desire—I think, justly—is the total abolition of the unilateral obligations imposed upon us in regard to the tariff that have been allowed to linger in our existing treaty relations.

Looking back over the development of our system of taxation, we may notice that the basis of our national finances has steadily widened in proportion to the development of economic activities. It is a gratifying fact that, whereas the land-tax was at first the only substantial source of revenue, other taxes, especially indirect ones, have gained in importance, so much so that one of them now substantially exceeds the land-tax. It will be interesting to compare the following figures taken from the budget for 1901 with those for 1893, given above:

ESTIMATED ORDINARY REVENUES FOR 1901.*

	Yen.
Land tax	46,561,082
Income tax	5,618,255
Business tax	6,142,517
Tax on alcoholic drinks	55,230,970
Customs duties	15,770,137
Stamp duties†	13,699,069
Other taxes	9,418,508
Revenue from Government industries and Government property‡	49,728,897
Miscellaneous receipts	5,371,235
Total	207,540,670

A comparatively long space has been taken up thus far in describing our system of taxation, partly because of its importance as the basis of our national finances, and partly because of its peculiar relations with the reorganization of society in New Japan. Other branches of the financial system may now be treated with greater brevity. After the system of taxation, in the order of my exposition, comes the financial administration in the narrower sense of the term—that is, the management of the public Treasury.

During the first few years of the Restoration era, the financial administration was in a most disorderly condition, each Department of the government, in the absence of any fixed rules, managing its fiscal affairs with a large degree of independence. In 1872, the year following the political unification of the country by the establishment of the prefectural system, a first step was

*The estimated increase of revenue resulting from the lastly adopted measures of increased taxation is here only partially taken into account, because they had not been put into operation from the beginning of last year.

†This item of revenue includes various kinds of fees, besides taxes.

‡Of the revenue from Government industries, 12,814,298 yen accrues from the tobacco monopoly.

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taken towards centralizing the management of the government's fiscal affairs in the hands of the Minister of Finance, and in 1873 a "Procedure of Receiving and Disbursing" was determined on, which contained the germ of a budgetary system. The Law of Financial Administration, which was enacted in 1881, provided among other things for the formation of a Board of Audit directly responsible to the Emperor. By this time it was established in principle that the fiscal affairs of the government should be managed solely by the Department of Finance, subject to the examination of the Board of Audit. But it was with no small difficulty that the principle was given effect to, owing to the practice of allowing the various departments of the government to keep the respective funds appropriated to them, a practice which originated in financial chaos after the Restoration and was long a fruitful source of abuses. The year 1883 is a memorable one in consequence of the final abolition of this practice. In that year fiscal transactions of the government were entirely and effectively centralized in the Department of Finance; and, shortly afterwards, the receiving, keeping and disbursing of public money was entrusted to the newly established Bank of Japan. The long contemplated unification of financial administration was thus completely accomplished at last. Another important advance was made in 1886, when the practice of publishing the annual budgets and settled accounts in Imperial Ordinances was adopted. And with the promulgation of the Constitution in 1889, the Law of Financial Administration was revised and its system was given the present shape. The budget is now drawn up by the Minister of Finance and has to be voted annually by the Diet, to which the settled accounts, as attested by the Board of Audit, are also presented. Before the establishment of the Diet, all reforms in the system of financial administration were directed to unifying and regulating the management of fiscal affairs within the government; and, when this was fairly accomplished, the Constitution came to provide for political restraints from the outside. All this is, no doubt, a mere commonplace to financiers and publicists of Western countries. But the tact and energy of our successive Ministers of Finance have been considerably taxed in putting into operation a system conceived and framed in accordance with the accredited principles of financial administration.

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The development of the monetary system forms one of the most important and most interesting chapters of the financial history of New Japan. But, since a detailed report on it has been officially translated into English,* I shall here confine myself to a concise statement of a few prominent points.

Though a system of gold and silver coinage was established in the beginning of the Tokugawa Shogunate's régime and was nominally kept intact for more than two and a half centuries, it was practically destroyed by degrees in consequence of successive debasements resorted to by the Shogunate as a means for relieving financial distress, and also in consequence of the issue of paper money or clandestine coinages on the part of various clans. Facing the confused state, the Restoration government recognized at once the necessity of reorganizing the currency system. The New Coinage Law was promulgated in 1871 with a view to establishing the gold standard. But, as in those days silver was the universal medium of exchange in the trade of the Far East, it was difficult for Japan to maintain gold monometallism. The result was that the silver one yen or trade dollar, which had been originally intended as the medium of foreign trade within the limits of the treaty ports, was allowed after 1878 to circulate as legal tender throughout the country. From that time the currency system of Japan was on the basis of bimetallism.

There was, moreover, another circumstance which added to the difficulty of establishing a sound monetary system in the beginning of the Restoration era. The new government was obliged, for some time after its inception, to issue paper money, the circulation of which became impeded as its amount increased. Measures were taken before long to redeem these notes by an exchange with government bonds. But, just when their credit had been nearly recovered, the civil war of 1877, commonly known as the Satsuma rebellion, broke out, and the government was again driven to the untoward expedient of issuing inconvertible notes, which brought on a great depreciation of their value and a consequent disturbance of the economic world. To remedy this evil, the government, in 1881, began to take steps to redeem a portion of the paper money in circulation, and to increase the specie

*"Report on the Adoption of the Gold Standard in Japan," by Count M. Matsukata, H. I. J. M.'s Minister of State for Finance, 1899.

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reserve of the Treasury, with the object of establishing a convertible notes system. That object was accomplished in 1886, through the instrumentality of the Bank of Japan, which two years previously had been granted the exclusive privilege of issuing convertible notes. But since the specie reserve had to be accumulated mainly in silver, Japan found herself a silver standard country, when she was disentangled from the financial and economic disturbances that arose out of the inflation of paper money.

This was, perhaps, a stage in the development of our currency system that had to be necessarily passed through. The government, however, had never lost sight of the necessity of finally adopting the gold standard so as to exercise due influence in the economic movement of the world at large. The need of the reform became the more urgent as a result of the alarming depreciation of silver in recent years. Unexpectedly and fortunately, the receipt of the war indemnity from China offered us opportunity for effecting the long-desired change. As China had, at all events, to raise a loan in Europe, she was easily induced to pay the indemnity in British, instead of Chinese, money. Thus the sum of £32,000,000 sterling was put at our disposal; and, with a portion of it as reserve of the Bank of Japan, the gold standard system was put in operation on the 1st of October, 1897. The details of the new coinage system are beyond the scope of the present article; only it may be mentioned that one yen in gold, which is the new unit of coinage, was made approximate in value to the old unit in silver, so as to avoid an abrupt change in the price of commodities and a disturbance of the relations between debtor and creditor.

In connection with the development of the financial and the monetary system, it may not be out of place to give a brief account of the position of the Bank of Japan; and, by way of extension, of the general banking system in Japan. Although certain rudimentary organs of monetary circulation existed under the Shogunate, the banking system properly so called is a product of New Japan. At first, our system was modelled upon the American system, and a number of National Banks were established, subject to the regulations promulgated in 1872. They had the privilege of issuing convertible notes under seemingly favorable conditions, and those notes were designed gradually to

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replace the inconvertible notes issued by the government. But, owing to the unabating efflux of specie from the country, the National Banks soon found it impossible to maintain the responsibility of specie payments, and the government had to allow them to exchange their notes with government notes. Thus they failed to be of use as instruments for the gradual withdrawal of inconvertible notes. As organs for the circulation of capital, too, they proved quite inadequate, because, with few exceptions, each of them was confined to a narrow and separate circle of influence. In parallel with the political unification of the country, the need of a central bank, placed in a supreme and commanding position above all others, became evident. The Bank of Japan was, therefore, established in 1882, for the purpose of bringing other banks nearer together, and of facilitating the monetary circulation throughout the country. The regulation of the currency was another object which the Bank of Japan was expected to aid in accomplishing. Hence, while the Bank of Japan was empowered in 1884 to issue convertible notes, the National Banks were deprived of that privilege in due course of time. After several alterations in the regulations concerning it, the Bank of Japan is now authorized to issue notes on securities, besides those on the specie reserve, to the extent of 120,000,000 yen. In case of pressing demand, it may make an issue beyond the ordinary limit, subject to the approval of the Minister of Finance and to the imposition of an extra-issue tax. The capital of the Bank of Japan was at first 10,000,000 yen, of which the half was held by the government. It stands now at 30,000,000 yen, the shares originally held by the government having been transferred to the Imperial Household.

Most of the National Banks, after the expiration of their charters, have been changed into private banks, and are now, on the whole, efficient organs of monetary circulation. These, together with other ordinary banks that have been newly established, numbered 1,868, with an aggregate capital of 354,000,000 yen.* The savings-banks have been an object of particular care to the government, which, besides establishing the post-office savings system, has made special regulations for them, so that their business shall be carried on with greater security than in

*The figures given here with reference to the banks are those of the end of 1900.

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the case of ordinary banks. Their number is now 487, with an aggregate capital of 58,000,000 yen.

Besides the Bank of Japan, there are several organs of monetary circulation which deserve notice because of their peculiar nature. The Yokohama Specie Bank, established in 1880, and with a capital of 24,000,000 yen at present, is specially designed to facilitate foreign exchange. The Hypothec Bank *(Crédit Foncier)* of Japan, with a capital of 10,000,000 yen, was established in 1896, for the purpose of making long-term loans at low rates of interest on the security of real estate. While the Bank of Japan, as the central organ of monetary circulation, is essentially commercial in nature, the Hypothec Bank is the centre of the Agricultural and Industrial Banks (number 46, aggregated capital 28,000,000 yen), distributed over the country. To complete the organization of the banking system, a loan was enacted in 1900, providing for the establishment of the *Crédit Mobilier* of Japan, whose chief and characteristic function will be to make loans on the security of shares and debentures. At present, the Bank of Japan provisionally transacts this kind of business within certain limits. However, the need of two special organs for supplying capital, one on the security of real estate, and the other on the security of shares and debentures, was perceived as early as at the date of the establishment of the Bank of Japan. One having been furnished by the Hypothec Bank of Japan, it is our hope that the other will be also successfully established before long.

In concluding the present survey of the financial system, I feel impelled to make a remark on the general financial situation of Japan since the war of 1894-5. There are some people who hold the pessimistic view that the basis of our national finances has been endangered by the recent increase of national expenditures. It is true that the annual expenditures, which used to be about 80,000,000 yen before the war, have mounted up to about 200,000,000 yen in 1896, and to 275,000,000 yen in the budget for 1901. It is also true that the war with China was followed by economic disturbances, from which we are still suffering. But, if we take a broad view of the situation, any such alarm seems to be unwarranted. As Count Okuma pointed out in a preceding number of this REVIEW, Japan has, through an industrial revolution, entered on a new phase of economic life,

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and has made great strides in the short period of thirty years. The armed struggle of 1894-5 being an occasion for the manifestation of accumulated national forces, the changes that have followed it may appear sudden and abrupt. If, however, comparison is made with the state of things in the early years of the Restoration era, it will be seen that the state expenditures at the present time are by no means out of proportion to the growth of national wealth.* This may be evidenced by the fact that the greater part of the present revenue accrues from sources such as were either non-existent or quite insignificant at the beginning of the present era. To support my contention in another way, attention may be called to the fact that, while the total expenditure of 1900 is eight times that of 1868, the volume of foreign trade has multiplied fifteen-fold within the same period. The increase in the volume of foreign trade may be taken as an index of the general economic progress, though the ratio is not necessarily the same in all its branches. Seeing that Japan is quite a young country, so far as the present phase of her economic life is concerned, greater progress than in the past may be reasonably expected in the future; the more so, because the Western Pacific is fast growing in importance as a centre of the world's commerce. The vitality of the Japanese people has been proved by their achievements in the past thirty years, and the financial and economic institutions of the country are now in fair working order. If financial affairs and economic enterprises are directed with care and circumspection, we need not entertain misgivings about our capacity to bear the burden due to our new position among the Powers of the world.

M. MATSUKATA.

*The following figures show the successive increase of the annual revenue and expenditure at the end of every ten years since the beginning of the present era:

Year.		Revenue. Yen.	Expenditure. Yen.
1868	Settled accounts.....	33,089,301	30,505,060
1878		62,443,739	60,941,320
1888		92,956,919	81,504,004
1898		220,054,127	219,757,568
1901	(Budget).....	277,497,003	275,887,424

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SIGNIFICANCE OF THE ANGLO-JAPANESE ALLIANCE.

BY SENATOR JONATHAN P. DOLLIVER.

In a recent essay Mr. Brooks Adams has emphasized the opinion that war is the final expression of commercial competition between nations, and, while his illustrations of the proposition are ponderous enough to seem conclusive, it is hardly credible that in the modern world the conflicting interests of trade may not be adjusted to promote the peace and prosperity of all. It cannot, however, be denied that the attitude of the great Powers, in their present dealings with China, presents in the last analysis a commercial question of universal importance. If there is not wisdom enough in the world to manage that question without inviting the waste and desolation of war, the boasted progress of mankind is more imaginary than real.

The interest of the people of the United States in the affairs of China is one that relates mainly to their opportunities to sell in that country the products of their factories and their farms. They make no pretence of any concern above others for the integrity of the Chinese territory, nor for the comfort and happiness of the imperial household. It is true that the voluntary missionary enterprises of the Christian churches of the United States have enlisted the enthusiasm of millions of our people in vast projects of philanthropy, which have for their ultimate object the regeneration of Asia.

But, so far as the government itself is concerned, there is little or nothing in its Chinese policy to warrant us in making any claim to motives higher than those which have actuated the people of other countries. Our interest in Asiatic problems does not arise from our new position in the Pacific Ocean. It antedates all that, beginning with the first American cargo which our merchants sold in China; and, if it is greater now than ever before,

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it is not because we are occupying the Philippine archipelago, but because we have grown in these later years to the first rank as an exporting community. If any of our public men have thought that a true national statesmanship isolates us from the politics of the world, that notion has gone to pieces in the development of our foreign trade and our gradual conquest of all the market places of the earth.

It was at one time thought that, if we took care of our own boundaries, never looking beyond them, except to see how the Monroe Doctrine was coming on, it was about all that could be expected from a quiet and peaceful neighborhood. Such a philosophy of the national life has become an absurdity in the light of the current statistics of our trade with the world. It was inevitable that the United States should acquire a commercial interest, present and prospective, beyond all other peoples, in the vast territory to which the Pacific Ocean is the natural and convenient approach. Our acquisition of strategic islands in that ocean, however interesting from the military point of view, constitutes no part of our title to enter the market places of the Orient; and those who suppose that, in asserting our commercial rights on the other side of the world, we have cast away the national sense of duty which we inherited from our fathers, to guard with jealous care the development of free institutions in this hemisphere, comprehend neither the Monroe Doctrine, nor the higher laws of our commercial growth. The fact that we are under an historic obligation to take care of others near at hand, is not likely to interfere with the exercise of our right to take care of ourselves wherever we go down to the sea in ships.

It will be seen, therefore, that the people of the United States have good reason to look with anxiety upon the vicissitudes which have beset the Chinese Empire in the last few years.

The commercial invasion of China began with the enterprise of English merchants, long before any other country aspired to compete with them in the field of foreign commerce. It was accompanied with diplomatic formalities about concessions, treaty ports, and schemes of fiscal administration in which the outside world took only a languid interest. Because there were but few conflicting interests, the British monopoly of the Chinese trade hardly created a comment. It avoided the challenge of other nations for a still profounder reason, for wherever the British

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authority and influence were set up, the commercial world had the assurance of fair play and equal rights.

It is only in these later years that the significance of Asia in the world's market place has attracted the attention of European statesmen. The marvellous development of industrial Germany has, in a sense, created the Chinese question from the standpoint of Europe; while the transformation of the backward tribal provinces of Japan into a parliamentary government with modern political and commercial aspirations has hastened the crisis in Asia. A still more tangible influence has operated to bring about the present situation. The long cherished purpose of Russia to find access to the Pacific Ocean in temperate latitudes, a purpose which may not have originally involved a greed of territory or a desire for dominion over alien races, has added a distinct impetus to the course of events.

In the summer of 1894, on account of disputes arising over affairs in Corea, Japan in declaring war upon China took a step which very greatly hastened the movement of the European world against the Chinese Empire. Prior to that time, the nations of Europe, while they had occasion to suspect that China was helpless in a military sense, did not know it with enough certainty to warrant the scheme of grand larceny which has since in a greater or less degree occupied their minds. But when the Island Empire, with its new ships and its new army modelled after European fashions, descended upon Manchuria, both by land and sea, and within a brief period disabled the Chinese fleet and sent its troops running for dear life in the direction of Pekin, the cynical smile, which had for a long time been noticeable upon the faces of European statesmen, grew into an audible chuckle as they caught a glimpse of fresh opportunities to extend the blessings of civilization in China. The government of the Empress Dowager quickly perceived that the war with Japan was over, called in an American diplomatist who had often been a counsellor of the Empire, and concluded a treaty making peace with Japan. That treaty ceded to Japan that portion of the province of Feng T'ien which had been occupied by her forces, including the appurtenant islands near the northern shores of the Yellow Sea. This territory, in the hands of Japan, was expected by her to become a permanent barrier against the progress of Russia toward the Corean peninsula.

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But before the ratifications of the treaty could be exchanged, the inexperienced government of Japan received its first formal introduction to Western diplomacy. She found herself confronted by a joint note, in which Russia, Germany, and France united, informing her that the peace of Asia required that there should be no territorial aggression against China, and suggesting in terms not easily misunderstood that, aside from the island of Formosa, a cash indemnity from her late enemy was the only fruit of her victory which she would be permitted to retain.

Great Britain did not join in this note, but, for some strange reason, by the lassitude of her silence, gave it the moral advantage of her apparent indifference; and, beginning with the Japanese Emperor's proclamation of May 10th, 1895, when his army took up its humiliating retreat from the peninsula district of northern China, with no spoils of war to speak of except 30,000,000 Kuping taels, the literature of diplomacy has become a bewildering parade of hypocrisy and gaseous pretences. Sir Henry Wotton, the quaint old English essayist, who in the autograph album of a friend described an ambassador as "an honest man sent to lie abroad for the commonwealth," would not find any necessity for revising his definition if he could have the opportunity to look over the shadowy correspondence that, for the past eight years, has been accumulating in the foreign offices of Europe.

Hardly had the back of Japan been turned, when the Russian government, which had pleaded the permanent peace of Asia as a reason for preserving the landmarks of the Chinese Empire, through agencies which were practically official, acquired concessions under the name of the Eastern Chinese Railway Company "for the construction and working of a railway within the confines of China, from one of the points on the western borders of the province of Hei-Lung-Kiang to one of the points on the eastern borders of the province of Kirin, and for the connection of this railway with those branches which the imperial Russian government will construct to the Chinese frontier from Trans-Baikalia and the Southern Ussuri lines"; the company also being empowered "to exploit, in connection with the railway or independently of it," coal mines or other enterprises industrial and commercial. Within less than two years, we find Russia pocketing a treaty with China, by which the Emperor agrees to lease to Russia Port Arthur, Ta-lien-wan, and the adjacent waters, and

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such indefinite territory in the surrounding districts as might be subsequently agreed upon, and concluding with an extension of the railway concessions to include the construction of a line to Ta-lien-wan, or any other suitable point between Neuchwang and the mouth of the Yalu river.

Thus, this officious friend of the panic-stricken Chinese court, by a stroke of the most cheerful diplomacy ever before practised in this world, ousts the victorious armies of Japan, diverts the terminus of the Trans-Siberian railroad from Vladivostok to the genial climate of the Corean Bay, and literally takes possession of the industrial and commercial possibilities of northern China. In the whole transaction, only a single touch of sentiment can be discerned by the most acute observer, and that is where the traveller approaches a bend in the road, as the locomotive turns aside from the grave-yard which contains the dust of the founders of the imperial dynasty, reposing there, in a slumber hardly more profound than that of their royal descendants at Pekin.

In order to show that this sudden contradiction in the attitude of Russia towards China was merely a part of the programme talked over by the three remonstrants against the aggressive purposes of Japan, we have only to notice the appearance within a month of the German fleet in the same waters, looking for satisfaction for the murder of an unfortunate missionary, and somewhat ostentatiously vindicating the Christian religion by extorting from His Majesty, the Emperor of China, the practical sovereignty of an indefinite zone surrounding the bay of Kiao Chow, including a ninety-nine years lease of both sides of the entrance to the harbor, which commands the Province of Shantung.

Almost at the same time, we find the French ambassador holding up the Tsung-li-Yamen on three propositions; first, a railway concession from the frontier of Tonking to Yannan-Fu; second, a lease by the Chinese government, "in consideration of its friendship for France," of the bay of Kwang-Chow-Wan for a naval and coaling station; third, the right to intervene in the reorganization of the postal service of China. And within one day after receiving M. Dubail's interesting despatch, the Chinese government replies in these words, helpless and hopeless in their pathetic brevity: "As it is said in the despatch which you addressed to our Yamen that these three requests are destined to draw closer the bonds of friendship which unite us, we are able to acquiesce in

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them. China and France ought to strengthen the good relations which exist between them, and avert forever any cause for conflict."

In the meantime, the British government begins to show signs of awakening. On February 9th, 1898, Sir Claude MacDonald asks and secures renewed assurances of China that she will not, under any condition, alienate "the Yangtze region," now entirely hers, "to any other Power," "whether under lease, mortgage, or other designation." And on the first of July following, Great Britain, having made up her mind to keep in the procession, takes a lease by agreement with China of the port of Wei-Hai-Wei, including the adjacent waters, islands, and mainland, to be subject to her sole jurisdiction "for so long a period as Port Arthur shall remain in the occupation of Russia."

These transactions by no means complete the list of the incursions against the sovereignty of China, conducted by those over-advertised friends of the peace of Asia. It must, however, be said for Great Britain that her movement of July 1st, following some time after the other treaties, so-called, were negotiated, was evidently intended to secure a point of hostile observation, not so much in the direction of China, as against those nations which had taken advantage of her infirmities; for, whatever else may be said of the English government, there are few who will deny that it possesses too much wisdom to confuse the development of commerce with the impossible task of undertaking to colonize the interior of China.

It will be seen at once that a national government administered thus, without either sense or patriotism, its territory parcelled out to smooth-spoken conspirators who appeared unctuously on the scene to save the empire from the Japanese invader, would naturally lose the respect of its own people, and especially of that portion of the people which had been educated, however crudely, to the profession of arms or other athletic sports.

In view of what happened after the evacuation of Manchuria by Japan, the popular insurrection of 1900, directed in blind fury against all strangers within the confines of the empire, will appear to the discriminating historian very much less offensive than it seemed at the time. That pitiful outcry of enraged patriotism represents to-day the saving remnant of the Chinese people. If all these things could have happened, if an imbecile administra-

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tion could have gone on distributing the sea ports of the country as the avarice and self-interest of other nations might suggest, without calling forth an outbreak of popular wrath, then indeed the only thing China would be entitled to under the law of nations would have been a *post-mortem* examination. Curiously enough, the riots of 1900, involving the diplomatic representatives of all the Powers, the missionaries of all faiths, and merchants and travellers from every land, rendered China an immeasurable service, by bringing the Powers face to face in her capital, and compelling an open adjustment of their accounts.

The movement of the allied Powers for the relief of the besieged legations at Pekin gave the first occasion to the government of the United States to define its policy in China. Fortunately, our squadron on that station was in command of an experienced and capable officer, Rear-Admiral Louis Kempff, and it has seldom fallen to an American naval commander to deal with questions so difficult without an opportunity to seek instructions. The old sailor had to decide the question himself, and he did it with a wisdom so profound and a moral courage so superb, as to give his name a conspicuous place in the history of the American navy.

He declined to join in the bombardment of the Taku forts, because we were at peace with China and constrained by a traditional policy which avoids foreign alliances; and from that time, whatever the United States did in China, though we operated in harmony with the other Powers, was done upon our own responsibility and without motives inimical to the Chinese Empire.

The position taken by our fleet was promptly reinforced by Mr. Hay's circular note to all the Powers, dated July 3rd, 1900, in which he sets forth in plain terms the purpose of President McKinley in sending a detachment of American troops for the rescue of our beleaguered citizens, and made a definite statement of the purpose of the government of the United States to aid in preserving "Chinese territorial and administrative entity," and to "safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire."

The disinterested attitude of the United States was represented in the most generous way to the Chinese government by Mr. Wu Ting-fang, its able and accomplished minister at Washington;

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and as early as July 19th, the President of the United States found himself called upon by the Emperor of China's foreign office "to take the initiative in bringing about a concert of the Powers for the restoration of order and peace."

It is not too much to say that the United States has ever since had not only the confidence of China, but of all other interested Powers, for the reason that we seek no advantage over others, and entertain no designs against her sovereignty. We have still further invited the confidence of mankind by taking the earliest possible steps, after the safety of our citizens in China was assured, to anticipate the joint obligation of the Powers to withdraw their troops, and by wise counsel aid that disordered empire in re-establishing its authority.

The mutual suspicions of the European Powers, after the Pekin expedition had ended, was well illustrated by the joint agreement between Germany and England, dated October 20th, in which, after asserting the equal rights of the world in "the commercial and economic activities of China," they especially disclaimed the motive of making use of the unsettled state of affairs there "to obtain for themselves any territorial advantages in the Chinese dominions," and expressed their intention to act together for the protection of their own interests, should other Powers fail to observe these principles. All interested nations were asked to express their approval of the doctrines stated in this agreement, and it evidently afforded Mr. Hay satisfaction, in stating the adherence of the United States, to recall his correspondence of the previous year with France, Germany, Great Britain, Russia, and Japan, as well as his circular of July 3rd, 1900, in which he had sought a written pledge from all these nations that, whatever happened in China, no nation should ever suffer the wrong involved in discriminating customs duties, unequal transportation rates, or other servitudes in their commerce with the people of China.

It is, however, to be noted that, while the other Powers acquiesced in Secretary Hay's broad and comprehensive statement of the rights of all, the Russian Foreign Office, by an oversight that could hardly have been unintentional, omitted any reference to the question of uniform railway rates within the territory already pre-empted by her in northern China, and made no comment whatever on the question suggested by Mr. Hay's note as to other treaty rights within the Russian sphere of influence.

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contenting itself with a nebulous expression about the "open door," and a brief reference to the recent creation of a free port at Ta-lien-wan. These omissions were all the more suggestive, in view of the unconcealed preparation of Russia to perpetuate the military occupation of Manchuria.

It did not require very deep insight into the situation to inform Japan and the other nations, which had been wasting their official stationery in diplomatic correspondence, that, with a Russian army in possession of Manchuria, a Russian bank administering its finances, a Russian mining company claiming its natural resources, and a Russian railway system monopolizing its means of transportation, the Chinese Empire was already effectually dismembered, and the rights of the world's commerce already subjected to the selfish interest of a single Power. Long before the beginning of the present year, the legations at Pekin had grown more weary of watching one another than they had been of watching the common enemy in the dark days of the Boxer siege; and it became evident that a definite statement of international rights was due to the whole world. The Chinese administration remained plastic in the hands of the Russian Embassy, and treaty after treaty confirming Russian pretensions was made, only to be torn up on the protest of indignant Powers, until on the 30th of January the London government took a step of far-reaching interest to the world at large. It entered into an agreement with the Empire of Japan, with the object of maintaining "the general peace of the extreme East," and especially "the independence and territorial integrity of the Empire of China, and the Empire of Corea, and equal opportunities in these countries for the commerce and industry of all nations."

The first four articles of this treaty are as follows, and the simplicity and directness of its language are such that little room is left for explanation:

"Article I. The High Contracting Parties, having mutually recognized the independence of China and Corea, declare themselves to be entirely uninfluenced by any aggressive tendencies in either country. Having in view, however, their special interests, of which those of Great Britain relate principally to China, while Japan, in addition to the interests which she possesses in China, is interested in a peculiar degree politically as well as commercially and industrially in Corea, the High Contracting Parties recognize that it will be admissible for either of them to take such measures as may be indispensable in order to safe-

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guard those interests, if threatened, either by the aggressive action of any other Power, or by disturbances arising in China or Corea, and necessitating the intervention of either of the High Contracting Parties for the protection of the lives and property of its subjects.

"Article II. If either Great Britain or Japan, in the defence of their respective interests as above described, should become involved in war with another Power, the other High Contracting Power will maintain a strict neutrality and use its best efforts to prevent other Powers from joining in hostilities against its ally.

"Article III. If, in the above event, any other Power or Powers should join in hostilities against that ally, the other High Contracting Power will come to its assistance, and will conduct the war in common and make peace in mutual agreement with it.

"Article IV. The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power to the prejudice of the interests above described."

The immediate effect of the announcement of this treaty was to bring the whole world to its senses. Contemporaneously with its publication, our State Department sent a memorandum both to Pekin and St. Petersburg, asserting in plain terms that the situation in Manchuria was a distinct breach of the stipulations of treaties between China and foreign Powers, not only damaging the rights of American citizens by exposing them to discriminations, but tending also to cripple the Chinese Empire in the discharge of its international obligations. The terms of this memorandum indicate that it was written with the text of the Anglo-Japanese treaty within easy reach.

The concert of Europe responded to the publication of the treaty with a composure so grave as to appear almost comical. Everybody, including the Russian official press, said it contained exactly the idea they had long cherished. That is apparently so, so far as Germany is concerned, and even France is upon record in her correspondence with the United States to the same effect. So far as the Russian government is concerned, no assurances or other evidence either in word or deed have ever been given except in respect to the freedom of the new port of Ta-lien-wan. So that it is not strange that, as soon as the ministry at St. Petersburg recovered from its surprise, it announced in a memorandum communicated to our government by the Imperial Embassy, imperfectly if not incorrectly stating the scope of the Japanese treaty, that the allied governments of Russia and France held to the principles of that treaty as the basis of their own policy, "and

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at the same time a guarantee for their special interests in the Far East." They added, however, an almost undisguised challenge to Japan by saying in effect that, if war occurred, all parties might as well get ready for a two-Power fight.

The terms in which our government received the memorandum of March 3rd, submitted by the Russian ambassador, ought to leave no doubt in the minds of the Powers of Europe that the interests of the United States are identical with those of the nations which stand ready to defend the equality of commercial rights both in the ports of China and along the highways of her internal traffic. We too stand for the independence of China and Corea; we too are interested in the access of our enterprising citizens to the mines and forests of that empire; we too understand that the "open door" is a meaningless phrase with foreign armies occupying the interior, and foreign railway companies subjecting our merchandise to the burdens of extortion and discrimination; and it may as well be understood now as at a later time that no possible alliance, in Europe or out of it, will deter the United States from effectually maintaining the principle of fair play in the commercial development of the Orient.

It would be as well, therefore, for both Russia and France to study with some care the comment of Secretary Hay upon the concluding paragraph of their joint memorandum of March 3rd, in which the government of the United States "reserves for itself entire liberty of action, should circumstances arise whereby the policy and interests of the United States in China and Corea might be disturbed or impaired."

Nor is it necessary, when interests so momentous are at stake, to conceal the fact that the people of the United States are apt to lose patience with such expressions of contemptuous gayety as were indulged in by Count von Bülow in the Reichstag, on the third of March, as reported in the London *Times* of the next day. The Imperial Chancellor appears even yet to look upon China as a pudding waiting for the knife. "We do not in the least," he says, "want to have an extra helping of pudding in China, but we ask for the same helping which the others get." If the first minister of the German Crown cannot rise above a cheap levity like that, in speaking for the most sober-minded nation of the world, it is to be hoped that there are other functionaries in Berlin who will take the pains to read carefully the American Sec-

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retary's answer to the joint note of the Allied Powers who have taken most to heart the new treaty between England and Japan

There can be no disparagement of the historic friendship between the government of Russia and the people of the United States, and there are few who do not welcome the recent agreement of that government with China by which provision is made for the prompt evacuation of Manchuria by the Russian army. Our people indulge also the expectation that distinct assurance will be no longer withheld, that Russia claims no privileges within Chinese territory to which the commercial world is not admitted on the same terms.

It is already obvious that, whatever the defects of the Chinese government may be, it is the only government adapted to that vast and strange population. To disturb that empire, to wantonly separate its provinces from the régime to which they have been accustomed through the inheritance of centuries, would be an act of criminal folly for which no nation can afford to take the responsibility. The world ought to help China, and lend its influence to the gradual readjustment of its political mechanism to the needs of times to which its old forms are no longer adapted.

Even to-day its market place offers an inviting field to the enterprises of commerce; but the sum total of its present foreign trade is as nothing compared to the demand for the world's merchandise when that people shall have been caught, as it one day will be, in the currents of modern progress. The people of the United States are not unmindful of their present share in the trade of China. They do not intend to see that cut off, nor in any wise unjustly constrained; but they are looking to the future.

As the result of a conflict with Spain in which they had absolutely no motive except the welfare of others, they find themselves very near to the coasts of Asia; they propose to open headquarters there for the transaction of business. They expect to see the Chinese Empire one day aroused from the sleep of ages; and under the guidance of a Secretary of State who in the lifetime of William McKinley shared in a peculiar measure the confidence of that great President, they have cast in their lot with those who, in the interest of the peace of the world and the plain rights of trade and industry, propose to defend that ancient Empire against either spoliation or anarchy.

JONATHAN P. DOLLIVER.

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THE OPPORTUNITY OF THE UNITED STATES.

BY ANDREW CARNEGIE.

THE American people are at last learning the truth about the Philippine situation. At this moment, they are shocked at the perpetration of such atrocities as have rarely appalled civilized man, the proof of which is found in the testimony of four of our own officers, trusted men of honor. Major Gardiner, whose report is sickening, is endorsed by no less an authority than Judge Taft, the Governor-General of the Philippines. The story is too revolting to be dwelt upon. Fortunately, the President and Secretary Root are aroused, and resolved that the good name of the American people is not to be thus foully stained. The guilty will be punished. General Kitchener, in South Africa, has shown them how he deals with savagery in war—two Australian butchers of prisoners have been shot. If the General has not been libelled by the four officers who agree about his orders—"Kill all over ten—take no prisoners—burn and slay"—what is the Commander-in-Chief going to do with him? But all these details, sickening though they be, are only of passing moment compared with the problem which confronts us. We now learn from the commanding officer that in Samar, the people are now more intensely aroused against us than they were at first.

Has not the time arrived for the President and Cabinet to consider our position in these islands? The President inherited the *damnosa hereditas*. So did Secretaries Root, Moody, Shaw, Knox, and Payne. These men are to be pitied, and no one with a modicum of sound sense would hold them responsible for the serious situation. It is one question whether one should plunge into an unknown stream; quite another when one sees one's friends in mid-stream, struggling with the dangerous current and liable to be overwhelmed, and plunges in to save them.

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In a moment of aberration, and against the calm decision arrived at with the hearty approval of his Cabinet, President McKinley suddenly reversed his policy. His first decision was merely to get a suitable coaling station in Manila Bay. He never entertained the idea of entangling his country with "possessions" in the far distant tropics, where Americans could not settle.

The writer had the honor of an interview with him before war broke out with our allies, and ventured to predict that, if he attempted to exercise sovereignty over the Filipinos—whom he had bought at two dollars and a half a head—he would be shooting these people down within thirty days. He smiled, and, addressing a gentleman who was present, said: "Mr. Carnegie doesn't understand the situation at all." Then, turning to the writer, he said: "We shall be welcomed as their best friends." So little did dear, kind, loving President McKinley expect ever to be other than the friendly co-operator with these people. He would have recoiled from the mere idea of coercing them. But there was the discharge of a shot by some unknown man on one side or the other, and peace vanished. The commanders of the Filipinos were absent at the time, which gives credibility to their assurances that it was an accident, wholly unexpected.

War between the two previously co-operating forces ensued, and has lasted till now. Even if it were suppressed for a time it would surely break out at intervals, as the Dutch have found in Java. The Filipinos justly expected the independence for which they had risen against Spain when the Spaniards were vanquished, not an exchange of masters.

Recent events have produced a profound impression upon the public mind; and after years of killing these people and burning their homes, we begin to see those best qualified to judge now speaking out as a matter of duty.

The foremost authority on the question, it will be generally admitted, is Principal Schurman, appointed by President McKinley, Chairman of the Philippine Commission, which spent so much time there. He speaks with knowledge. He tells us:

"If the Filipinos come to believe that our jingoes and imperialists represent the mind of the American people, they will, like the Boers, fight till they are annihilated: our crowning victory would be their utter extinction. Our assertion of sovereignty is supported at the present time only by the federal party, who are numerically small, who are held to-

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gether by the cohesive force of public office, and who, worst of all, are animated by the delusion (which is the foremost plank of their platform) that the Philippine Islands will be admitted, first as a territory and then as a state, into the American union. Apart from this exception, which rests on a misapprehension, the Filipinos are opposed to us and unanimously demand independence. *Here* most of those who talk about Philippine affairs have in the past assumed the colonial policy as a matter of course; but this no Filipino will endure. *There* some Filipinos support our sovereignty on the understanding that the Philippine Islands are to be a state of the American Union; but this no American will endure. The final resultant of these psychological forces must be Philippine independence.

"There are two distinct groups of Filipinos. First, we have the civilized and Christianized Filipinos of Luzon and the Visayan islands, numbering about 6,500,000 souls. Formerly divided into rival communities, they have been solidly unified by the events of the past few years, and the new-born national consciousness clamors loudly and incessantly for independence. Secondly, we have the Mohammedan and heathen tribes of the southern islands—Sulu, Palawan, and the interior of Mindanao—who are estimated to number 1,500,000. These are all tribally organized and ruled by datos and sultans. Some external sovereign or suzerain they must have; and if we do not retain these southern islands we must hand them over to some other power. Thus, for example, we might exchange them with Great Britain for the British West Indies. But whatever be done with them, the civilized and Christianized democracy of Luzon and the Visayas desire independence. They are fairly entitled to it; and united as they now are, I think they might very soon be safely entrusted with it. In their educated men, as thorough gentlemen as one meets in Europe or America, this democracy of 6,500,000 Christians has its foreordained leaders."

Here is the man who knows; and in his opinion the Filipinos could very soon be safely entrusted with Independence. He is not alone in this belief. Admiral Dewey reported that they were better fitted for self-government than the Cubans, and said he knew both races well. General Merritt testified to their fitness and qualities. General MacArthur has told the Senate Committee that:

"There is no question of the power of the Filipinos to attain any standard of excellence. They have a large representation in all the artisan employments. They have a deft touch. They are great in wood carving. They are artists. They are going to take high rank as artists. They are natural musicians. There is hardly a person in the islands who does not play on some instrument."

It is such people we are now killing for the crime of desiring a trial of self-government, for which they rose against Spain.

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Ex-Secretary-of-the-Navy Long has recently declared that the end we must keep steadily in view is their Independence.

The Governor-General, Judge Taft, has told the Senate Committee that it would have been better had we never gone there.

The President himself has told Congress that the Philippines are a burden—a great burden, indeed, they are and must be. The loss of life is great both of American and Filipino. The ruin of the health of our men is certain. Judge Taft is only one of many who return to us invalided. The cost in money is not less than sixty millions per year. But more than all this is the false position into which we have drifted, as the invaders of a civilized Christian land, using force against the aspirations of a people for a country for which to live or, if necessary, to die. A people which has shown itself willing to fight and die for Independence has earned the right to a trial of it. Upon this point President Schurman closes his instructive message with this truly American sentiment:

> "And, to repeat what ought not to need repetition anywhere within the limits of our free Republic, any decent kind of government of Filipinos by Filipinos is better than the best possible government of Filipinos by Americans."

We seem to hear the voices of the Fathers echoing this statement of American doctrine—Washington, Franklin, Jefferson, Hamilton, Adams, and the voice of one who ranks even with these —Lincoln, who held that God never made a people good enough to rule over another people.

The American people need only to be satisfied upon one point: Is it not our duty to continue forcing our rule upon these six and a half millions of Christian people, *for their good?*

If all our people really knew the Tropics, and had seen the result of foreign rule there, or had read its history, the question would be answered as soon as stated. All history teaches that the influence upon the inferior race of such members of a superior race as go to the Tropics, is injurious to both. Where a superior race can go freely, and settle a land hitherto inhabited by an inferior race, as our race settled here among the Indians, genuine good is done—but even then not to the Indians, but to the cause of civilization as a whole. It is a step in advance. To a superior race no portion of the earth is closed which it can populate, and which it can make its dwelling-place. If Americans could and would

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go, in great numbers and of all classes, and make their permanent homes in the Philippines, their doing so would undoubtedly result in progress there; but it would involve loss to our own land, which needs all its people and all proper people who can be induced to come here, for we have only 32 people to the square mile, while England and Wales have 502. We have a rich continent of our own to develop.

As a matter of fact, there will go to the Philippines a few male adventurers, who, not being able to succeed here, will try abroad. There will have to go 40,000 soldiers; but let any one who has travelled the Tropics tell you of the malign influence an army has upon the natives, and of the not less serious influence exerted upon an army by its situation there. Contact is ruinous to both races. I have travelled round the world and talked to many people in the Tropics. India is a good illustration of the rule of our race over alien races. The British are the best governors of dependencies, and they have been in India for more than two hundred years, time enough, one should think, to educate a people sufficiently to give them a trial of self-government. Yet, if Britain left India to-day, she would leave behind scarcely a trace of her influence. Railroads, telegraphs, and canals would remain, which might not have been so extensively built but for the British occupation—though even this may be doubted, for the Independence of a people stimulates action and ensures progress. Britons cannot grow in India. The few merchants and members of professions who seek their careers there must have seasons out of that climate. British children cannot be successfully reared there. Soldiers must be transferred, as ours are to be every three years from the Philippines. Therefore the races remain apart. One knows nothing of the other.

There is another important point. After two hundred and more years of occupation, it is still necessary for Britain to keep seventy thousand British troops in India, besides many Indian troops which are sent to regions far from their native homes, so as to be among strangers, and therefore trustworthy as oppressors. And, pray, let my readers mark this: Not one piece of artillery is given to any native regiment. That would never do. Why? Because no invader can ever trust the oppressed not to strike, when opportunity offers.

The aspirations of a people for self-government may be sup-

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pressed for a time, but seldom if ever eradicated. We all remember the fearful Mutiny. Britain sits to-day upon a volcano. Many of the educated Indians have learned English in the schools. Those to whom I talked, knowing I was an American and not a Briton, quoted American ideas, and referred to Washington and the War for Independence, and always ended by saying: "Some day we shall be free like you." It was a crime to teach the slave to read—a mistake to teach the people of India English. We prohibited the reading of the Declaration of Independence in the Philippines last fourth of July. To the incredulous reader let me repeat this fact. It is on record and acknowledged by our officials. We can imagine the first thought of so good a man as Judge Taft and so good an American as he has been hitherto when this was suggested to him.

"Is thy servant a dog that he should do this thing?" But, alas, he did it!

We are engaged in work which requires suppression of American ideas hitherto held sacred. If the Republican Candidate for the Presidency, even if it were President Roosevelt himself, popular as he is, could be taxed with having approved this next Fourth of July, he would probably be defeated in the next campaign. Were I of the Democratic party, I should base the campaign largely upon this order, and ask the people if they wished a President capable of suppressing the reading of the Declaration of Independence in any part of the world.

The American idea of the rights of man and of the right of self-government is not false. It is true.

All communities, however low they may be in the scale, have the germ of self-government. Without this they could not exist; there could not be communities. No tribe, not even the Afridis, the most warlike of all, but has its governors, orders and degrees. Whether a people are fit for self-government according to our standard is unimportant. They are fit to improve if they are permitted, and in no other way has man improved in this domain than by experience. Our own race had many centuries of varied success and failure before it reached its present position. As well try to teach a boy how to swim without his striking out for himself, as expect a people to learn the art of governing themselves by your doing the governing for them. There is nothing so enervating to a people as to relieve them of the task of looking

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after themselves. They deteriorate with every year of foreign control.

I submit that we make a grave mistake in not following, in the Philippines, the American policy which has triumphed in Cuba. President McKinley said to the Cubans that he would "aid them to establish a stable, free and independent government, and thus realize the highest aspirations of the people." This kept the peace; not one Cuban was shot. It would have kept the peace in the Philippines. The promise has been honorably fulfilled; and no page of American history is to shine more gloriously in the future than that which records that the Republic was the protector of Cuba—a record which will prove to future generations of Americans a priceless heritage, for no nation but our own has delivered an oppressed people from a foreign yoke, and without return handed over to them their country as an independent Republic. Nor is any nation likely to do so, but let us hope the American nation is to repeat this sublime act of self-abnegation with the Philippines, and establish, under her protection, the first Republic of the Orient. This accomplished, what a position for the future is ours—the greatest of Republics the Mother of other Republics. Here lies true glory, which no other nation can attain.

The opportunity lies at our feet to-day, and President Roosevelt may become, as some predict, the Man of Destiny. He is still free, being uncommitted. He has but to copy President McKinley's words to Cuba, and address them to the Philippines, and the glory is his and his country's to endure while history lasts. Is he bold enough? Has he really the courage with which he is credited; or is he at heart but the commonplace opportunist? Democracy loves a leader. Is he one, or only an official?

I believe there lies behind the mere official in Theodore Roosevelt a man, an American man, intensely imbued with the principles of which his country is the exponent and the product, and in defence of which we may rest assured its people will sooner or later rise. The Democratic party is pledged to the policy of Independence and hence could offer no opposition, while our own party would welcome with enthusiasm the declaration of the President, "As Cuba so Philippines."

ANDREW CARNEGIE.

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A DEFENCE OF GENERAL FUNSTON.

BY MARK TWAIN.

I.

February 22. To-day is the great Birth-Day; and it was observed so widely in the earth that differences in longitudinal time made curious work with some of the cabled testimonies of respect paid to the sublime name which the date calls up in our minds; for, although they were all being offered at about the same hour, several of them were yesterday to us and several were to-morrow.

There was a reference in the papers to General Funston.

Neither Washington nor Funston was made in a day. It took a long time to accumulate the materials. In each case, the basis or moral skeleton of the man was inborn disposition—a thing which is as permanent as rock, and never undergoes any actual and genuine change between cradle and grave. In each case, the moral flesh-bulk (that is to say, *character*) was built and shaped around the skeleton by training, association and circumstances. Given a crooked-disposition skeleton, no power nor influence in the earth can mould a permanently shapely form around it. Training, association and circumstances can truss it, and brace it, and prop it, and strain it, and crowd it into an artificial shapeliness that can endure till the end, deceiving not only the spectator but the man himself. But there is nothing there but artificiality, and if at any time the props and trusses chance to be removed, the form will collapse into its proper and native crookedness.

Washington did not create the basic skeleton (disposition) that was in him; it was born there, and the merit of its perfection was not his. It—and only It—moved him to seek and prefer associations which were contenting to Its spirit; to welcome influences which pleased It and satisfied It; and to repel or be indif-

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ferent to influences which were not to Its taste. Moment by moment, day by day, year by year, It stood in the ceaseless sweep of minute influences, automatically arresting and retaining, like a magnet of mercury, all dust-particles of gold that came; and, with automatic scorn, repelling certain dust-particles of trash; and, with as automatic indifference, allowing the rest of that base kinship to go by unnoticed. It had a native affinity for all influences fine and great, and gave them hospitable welcome and permanent shelter; It had a native aversion for all influences mean and gross, and passed them on. It chose Its subject's associations for him; It chose his influences for him; It chose his ideals for him; and, out of Its patiently gathered materials, It built and shaped his golden character.

And we give *him* the credit!

We give God credit and praise for being all-wise and all-powerful; but that is quite another matter. No exterior contributor, no birth-commission, conferred these possessions upon Him; He did it *Himself*. But Washington's disposition was *born* in him, he did not create It; It was the architect of his character; his character was the architect of his achievements. If my disposition had been born in him and his in me, the map of history would have been changed. It is our privilege to admire the splendor of the sun, and the beauty of the rainbow, and the character of Washington; but there is no occasion to praise them for these qualities, since *they* did not create the source whence the qualities sprang—the sun's fires, the light upon the falling rain-drops, the sane and clean and benignant disposition born to the Father of his Country.

Is there a value, then, in having a Washington, since we may not concede to him *personal merit* for what he was and did? Necessarily, there is a value—a value so immense that it defies all estimate. Acceptable outside influences were the materials out of which Washington's native disposition built Washington's character and fitted him for his achievements. Suppose there hadn't *been* any. Suppose he had been born and reared in a pirate's cave; the acceptable materials would have been lacking, the Washingtonian character would not have been built.

Fortunately for us and for the world and for future ages and peoples, he was born where the sort of influences and associations acceptable to his disposition were findable; where the build-

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ing of his character at its best and highest was possible, and where the accident of favorable circumstances was present to furnish it a conspicuous field for the full exercise and exhibition of its commanding capabilities.

Did Washington's great value, then, lie in what he accomplished? No; that was only a minor value. His major value, his vast value, his immeasurable value to us and to the world and to future ages and peoples, lies in his permanent and sky-reaching conspicuousness as an *influence.*

We are *made,* brick by brick, of *influences,* patiently built up around the framework of our born dispositions. It is the sole process of construction; there is no other. Every man and woman and child is an influence; a daily and hourly influence which never ceases from work, and never ceases from affecting for good or evil the characters about it—some contributing gold-dust, some contributing trash-dust, but in either case helping on the building, and never stopping to rest. The shoemaker helps to build his two-dozen associates; the pickpocket helps to build his four dozen associates; the village clergyman helps to build his five hundred associates; the renowned bank-robber's name and fame help to build his hundred associates and three thousand persons whom he has never seen; the renowned philanthropist's labors and the benevolent millionaire's gifts move to kindly works and generous outlays of money a hundred thousand persons whom they have never met and never will meet; and to the building of the character of every individual thus moved these movers have added a brick. The unprincipled newspaper adds a baseness to a million decaying character-fabrics every day; the high-principled newspaper adds a daily betterment to the character-fabric of another million. The swiftly-enriched wrecker and robber of railway systems lowers the commercial morals of a whole nation for three generations. A Washington, standing upon the world's utmost summit, eternally visible, eternally clothed in light, a serene, inspiring, heartening example and admonition, is an influence which raises the level of character in all receptive men and peoples, alien and domestic; and the term of its gracious work is not measurable by fleeting generations, but only by the lingering march of the centuries.

Washington was more and greater than the father of a nation, he was the Father of its Patriotism—patriotism at its loftiest

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and best; and so powerful was the influence which he left behind him, that that golden patriotism remained undimmed and unsullied for a hundred years, lacking one; and so fundamentally right-hearted are our people by grace of that long and ennobling teaching, that to-day, already, they are facing back for home, they are laying aside their foreign-born and foreign-bred imported patriotism and resuming that which Washington gave to their fathers, which is American and the only American—which lasted ninety-nine years and is good for a million more. Doubt—doubt that we did right by the Filipinos—is rising steadily higher and higher in the nation's breast; conviction will follow doubt. The nation will speak; its will is law; there is no other sovereign on this soil; and in that day we shall right such unfairnesses as we have done. We shall let go our obsequious hold on the rear-skirts of the sceptred land-thieves of Europe, and be what we were before, a *real* World Power, and the chiefest of them all, by right of the only clean hands in Christendom, the only hands guiltless of the sordid plunder of any helpless people's stolen liberties, hands recleansed in the patriotism of Washington, and once more fit to touch the hem of the revered Shade's garment and stand in its presence unashamed. It was Washington's influence that made Lincoln and all other real patriots the Republic has known; it was Washington's influence that made the soldiers who saved the Union; and that influence will save us always, and bring us back to the fold when we stray.

And so, when a Washington is given us, or a Lincoln, or a Grant, what should we do? Knowing, as we do, that a *conspicuous* influence for good is worth more than a billion obscure ones, without doubt the logic of it is that we should highly value it, and make a vestal flame of it, and keep it briskly burning in every way we can—in the nursery, in the school, in the college, in the pulpit, in the newspaper—even in Congress, if such a thing were possible.

The proper inborn disposition was required to start a Washington; the acceptable influences and circumstances and a large field were required to develop and complete him. The same with Funston.

II.

"The war was over"—end of 1900. A month later the mountain refuge of the defeated and hunted, and now powerless

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but not yet hopeless, Filipino chief was discovered. His army was gone, his Republic extinguished, his ablest statesman deported, his generals all in their graves or prisoners of war. The memory of his worthy dream had entered upon a historic life, to be an inspiration to less unfortunate patriots in other centuries; the dream itself was dead beyond resurrection, though he could not believe it.

Now came his capture. An admiring author* shall tell us about it. His account can be trusted, for it is correctly synopsized from General Funston's own voluntary confession made by him at the time. The italics are mine.

"It was not until February, 1901, that his actual hiding-place was discovered. The clew was in the shape of a letter from Aguinaldo commanding his cousin, Baldormero Aguinaldo, to send him four hundred armed men, the bearer to act as a guide to the same. The order was in cipher, but among other effects captured at various times a copy of the Insurgent cipher was found. The Insurgent courier was convinced of the error of his ways (though by exactly what means, history does not reveal), and offered to lead the way to Aguinaldo's place of hiding. Here was an opportunity that suggested an adventure equal to anything in penny-awful fiction. It was just the kind of a dare-devil exploit that appealed to the romantic Funston. It was something out of the ordinary for a brigadier-general to leave his command and turn into a scout, but Funston was irresistible. He formulated a scheme and asked General MacArthur's permission. It was impossible to refuse the daring adventurer, the hero of the Rio Grande, anything; so Funston set to work, *imitating the peculiar handwriting of Lacuna, the Insurgent officer to* whom Aguinaldo's communication referred. Some little time previous to the capture of the Tagalog courier, several of Lacuna's letters were found, together with Aguinaldo's cipher code. Having perfected Lacuna's signature, Funston wrote two letters on February 24 and 28, acknowledging Aguinaldo's communication, and informing him that he (Lacuna) was sending him a few of the best soldiers in his command. Added to this neat forgery General Funston dictated a letter which was written by an ex-Insurgent attached to his command, telling Aguinaldo that the relief force had surprised and captured a detachment of Americans, taking five prisoners whom they were bringing to him because of their importance. This ruse was employed to explain the presence of the five Americans: General Funston, Captain Hazzard, Captain Newton, Lieutenant Hazzard, and General Funston's aide, Lieutenant Kitchell, who were to accompany the expedition.

"Seventy-eight Macabebes, hereditary enemies of the Tagalogs, were chosen by Funston to form the body of the command. These fearless

* "*Aguinaldo.*" By Edwin Wildman. Lothrop Publishing Co., Boston.

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and hardy natives fell into the scheme with a vengeance. Three Tagalogs and one Spaniard were also invited. The Macabebes were fitted out in cast-off Insurgent uniforms, and the Americans donned field-worn uniforms of privates. Three days' rations were provided, and each man was given a rifle. The 'Vicksburg' was chosen to take the daring impostors to some spot on the east coast near Palanan, where Aguinaldo was in hiding. Arriving off the coast at Casignan, some distance from the Insurgent-hidden capital, the party was landed. Three Macabebes, who spoke Tagalog fluently, were sent into the town to notify the natives that they were bringing additional forces and important American prisoners to Aguinaldo, and request of the local authorities guides and assistance. The Insurgent president readily consented, and the little party, after refreshing themselves and exhibiting their prisoners, started over the ninety-mile trail to Palanan, a mountain retreat on the coast of the Isabella province. Over the stony declivities and through the thick jungle, across bridgeless streams and up narrow passes, the foot-sore and bone-racked adventurers tramped, until their food was exhausted, and they were *too weak to move*, though but eight miles from Aguinaldo's rendezvous.

"A messenger was sent forward to inform Aguinaldo of their position and to *beg for food*. The rebel chieftain promptly replied by despatching rice and a letter to the officer in command, instructing him to treat the American prisoners well, but to leave them outside the town. What better condition could the ingenious Funston have himself dictated? On the 23d of March the party reached Palanan. Aguinaldo sent out eleven men to take charge of the American prisoners, but Funston and his associates succeeded in dodging them and scattering themselves in the jungle until they passed on to meet the Americans whom the Insurgents were notified were left behind.

"Immediately joining his command, Funston ordered his little band of dare-devils to march boldly into the town and present themselves to Aguinaldo. At the Insurgent headquarters they were received by Aguinaldo's bodyguard, dressed in blue drill uniforms and white hats, drawn up in military form. The spokesman so completely hoodwinked Aguinaldo that he did not suspect the ruse. In the meantime the Macabebes manœuvred around into advantageous positions, directed by the Spaniard, until all were in readiness. Then he shouted, 'Macabebes, now is your turn!' whereupon they emptied their rifles into Aguinaldo's bodyguard. . . .

"The Americans joined in the skirmish, and two of Aguinaldo's staff were wounded, but escaped, the treasurer of the revolutionary government surrendering. The rest of the Filipino officers got away. Aguinaldo accepted his capture with resignation, though greatly in fear of the vengeance of the Macabebes. But General Funston's assurance of his personal safety set his mind easy on that point, and he calmed down and discussed the situation. He was greatly cast down at his capture, and asserted that *by no other means* would he have been taken alive,—an admis-

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sion which added all the more to Funston's achievement, for Aguinaldo's was a difficult and desperate case, and demanded extraordinary methods."

Some of the customs of war are not pleasant to the civilian; but ages upon ages of training have reconciled us to them as being justifiable, and we accept them and make no demur, even when they give us an extra twinge. Every detail of Funston's scheme—but one—has been employed in war in the past and stands acquitted of blame by history. By the custom of war, it is permissible, in the interest of an enterprise like the one under consideration, for a Brigadier-General (if he be of the sort that can so choose) to persuade or bribe a courier to betray his trust; to remove the badges of his honorable rank and disguise himself; to lie, to practise treachery, to forge; to associate with himself persons properly fitted by training and instinct for the work; to accept of courteous welcome, and assassinate the welcomers while their hands are still warm from the friendly handshake.

By the custom of war, all these things are innocent, none of them is blameworthy, all of them are justifiable; none of them is new, all of them have been done before, although not by a Brigadier-General. But there is one detail which is new, absolutely new. It has never been resorted to before in any age of the world, in any country, among any people, savage or civilized. It was the one meant by Aguinaldo when he said that "*by no other means*" would he have been taken alive. When a man is exhausted by hunger to the point where he is "too weak to move," he has a right to make supplication to his enemy to save his failing life; but if he take so much as one taste of that food—which is holy, by the precept of all ages and all nations—*he is barred from lifting his hand against that enemy for that time.*

It was left to a Brigadier-General of Volunteers in the American army to put shame upon a custom which even the degraded Spanish friars had respected. *We promoted him for it.*

Our unsuspecting President was in the act of taking his murderer by the hand when the man shot him down. The amazed world dwelt upon that damning fact, brooded over it, discussed it, blushed for it, said it put a blot and a shame upon our race. Yet, bad as he was, he had not—dying of starvation—begged food of the President to strengthen his failing forces for his treacherous work; he did not proceed against the life of a benefactor who had just saved his own.

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April 14. I have been absent several weeks in the West Indies; I will now resume this Defence.

It seems to me that General Funston's appreciation of the Capture needs editing. It seems to me that, in his after-dinner speeches, he spreads out the heroisms of it—I say it with deference, and subject to correction—with an almost too generous hand. He is a brave man; his dearest enemy will cordially grant him that credit. For his sake it is a pity that somewhat of that quality was not needed in the episode under consideration; that he would have furnished it, no one doubts. But, by his own showing, he ran but one danger—that of starving. He and his party were well disguised, in dishonored uniforms, American and Insurgent; they greatly outnumbered Aguinaldo's guard;* by his forgeries and falsehoods he had lulled suspicion to sleep; his coming was expected, his way was prepared; his course was through a solitude, unfriendly interruption was unlikely; his party were well armed; they would catch their prey with welcoming smiles in their faces, and with hospitable hands extended for the friendly shake—nothing would be necessary but to shoot these people down. That is what they did. It was hospitality repaid in a brand-new, up-to-date, Modern Civilization fashion, and would be admired by many.

"The spokesman so completely hoodwinked Aguinaldo that he did not suspect the ruse. In the meantime, the Macabebes manœuvred around into advantageous positions, directed by the Spaniard, until all were in readiness; then he shouted, 'Macabebes, now is your turn!' whereupon they emptied their rifles into Aguinaldo's bodyguard."—*From Wildman's book, already quoted.*

The utter completeness of the surprise, the total absence of suspicion which had been secured by the forgeries and falsehoods, is best brought out in Funston's humorous account of the episode in one of his rollicking speeches—the one he thought the President said he wanted to see republished; though it turned out that this was only a dream. Dream of a reporter, the General says:

"The Macabebes fired on those men and two fell dead; the others retreated, firing as they ran, and I might say here that they retreated with such great alacrity and enthusiasm that they dropped eighteen rifles and a thousand rounds of ammunition.

"Sigismondo rushed back into the house, pulled his revolver, and told

* Eighty-nine to forty-eight.—*Funston's Lotos Club Confession.*

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the insurgent officers to surrender. They all threw up their hands except Villia, Aguinaldo's chief of staff; he had on one of those new-fangled Mauser revolvers and he wanted to try it. But before he had the Mauser out of its scabbard he was shot twice; Sigismondo was a pretty fair marksman himself.

"Alambra was shot in the face. He jumped out of the window; the house, by-the-way, stood on the bank of the river. He went out of the window and went clear down into the river, the water being twenty-five feet below the bank. He escaped, swam across the river and got away, and surrendered five months afterwards.

"Villia, shot in the shoulder, followed him out of the window and into the river, but the Macabe[illegible]w him and ran down to the river bank, and they waded in and fi[illegible] him out, and kicked him all the way up the bank, and asked him [illegible]he liked it." (Laughter.)

While it is true that the Dare Devils were not in danger upon this occasion, they *were* in awful peril at one time; in peril of a death so awful that swift extinction by bullet, by the axe, by the sword, by the rope, by drowning, by fire, is a kindly mercy contrasted with it; a death so awful that it holds its place unchallenged as the supremest of human agonies—death by starvation. Aguinaldo saved them from that.

These being the facts, we come now to the question, Is Funston to blame? I think not. And for that reason I think too much is being made of this matter. He did not make his own disposition, It was born with him. It chose his ideals for him, he did not choose them. It chose the kind of society It liked, the kind of comrades It preferred, and imposed them upon him, rejecting the other kinds; he could not help this; It admired everything that Washington did not admire, and hospitably received and coddled everything that Washington would have turned out of doors—but It, and It only, was to blame, not Funston; his It took as naturally to moral slag as Washington's took to moral gold, but only It was to blame, not Funston. Its moral sense, if It had any, was color-blind, but this was no fault of Funston's, and he is not chargeable with the results; It had a native predilection for unsavory conduct, but it would be in the last degree unfair to hold Funston to blame for the outcome of his infirmity; as clearly unfair as it would be to blame him because his conscience leaked out through one of his pores when he was little—a thing which he could not help, and he couldn't have raised it, anyway; It was able to say to an enemy, "Have pity on me, I am starving; I am too weak to move, give me food; I am your friend,

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I am your fellow-patriot, your fellow-Filipino, and am fighting for our dear country's liberties, like you—have pity, give me food, save my life, there is no other help!" and It was able to refresh and restore Its marionette with the food, and then shoot down the giver of it while his hand was stretched out in welcome—like the President's. Yet if blame there was, and guilt, and treachery, and baseness, they are not Funston's, but only Its; It has the noble gift of humor, and can make a banquet almost die with laughter when it has a funny incident to tell about; this one will bear reading again—and over and over again, in fact:

"The Macabebes fired on those men and two fell dead; the others retreated, firing as they ran, and I might say here that they retreated with such alacrity and enthusiasm that they dropped eighteen rifles and a thousand rounds of ammunition.

"Sigismondo rushed back into the house, pulled his revolver, and told the insurgent officers to surrender. They all threw up their hands except Villia, Aguinaldo's chief of staff; he had on one of those new-fangled Mauser revolvers and he wanted to try it. But before he had the Mauser out of its scabbard he was shot twice; Sigismondo was a pretty fair marksman himself.

"Alambra was shot in the face. He jumped out of the window; the house, by-the-way, stood on the bank of the river. He went out of the window and went clear down into the river, the water being twenty-five feet below the bank. He escaped, swam across the river and got away, and surrendered five months afterwards.

"Villia, shot in the shoulder, followed him out of the window and into the river, but the Macabebes saw him and ran down to the river bank, and they waded in and fished him out, and kicked him all the way up the bank, and asked him how he liked it." (Laughter.)

(This was a wounded man.) But it is only It that is speaking, not Funston. With youthful glee It can see sink down in death the simple creatures who had answered Its fainting prayer for food, and without remorse It can note the reproachful look in their dimming eyes; but in fairness we must remember that this is only It, not Funston; by proxy, in the person of Its born servant, It can do Its strange work, and practise Its ingratitudes and amazing treacheries, while wearing the uniform of the American soldier, and marching under the authority of the American flag. And It—not Funston—comes home now, to teach us children what Patriotism is! Surely It ought to know.

It is plain to me, and I think it ought to be plain to all, that Funston is not in any way to blame for the things he has done, does, thinks, and says.

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Now, then, we have Funston; he has happened, and is on our hands. The question is, what are we going to do about it, how are we going to meet the emergency? We have seen what happened in Washington's case: he became a colossal example, an example to the whole world, and for all time—because his name and deeds went everywhere, and inspired, as they still inspire, and will always inspire, admiration, and compel emulation. Then the thing for the world to do in the present case is to turn the gilt front of Funston's evil notoriety to the rear, and expose the back aspect of it, the right and black aspect of it, to the youth of the land; otherwise *he* will become an example and a boy-admiration, and will most sorrowfully and grotesquely bring his breed of Patriotism into competition with Washington's. This competition has already begun, in fact. Some may not believe it, but it is nevertheless true, that there are now public-school teachers and superintendents who are holding up Funston as a model hero and Patriot in the schools.

If this Funstonian boom continues, Funstonism will presently affect the army. In fact, this has already happened. There are weak-headed and weak-principled officers in all armies, and these are always ready to imitate successful notoriety-breeding methods, let them be good or bad. The fact that Funston has achieved notoriety by paralyzing the universe with a fresh and hideous idea, is sufficient for this kind—they will call that hand if they can, and go it one better when the chance offers. Funston's example has bred many imitators, and many ghastly additions to our history: the torturing of Filipinos by the awful "water-cure," for instance, to make them confess—what? Truth? Or lies? How can one know which it is they are telling? For under unendurable pain a man confesses anything that is required of him, true or false, and his evidence is worthless. Yet upon such evidence American officers have actually—but you know about those atrocities which the War Office has been hiding a year or two; and about General Smith's now world-celebrated order of *massacre*—thus summarized by the press from Major Waller's testimony:

"*Kill and burn—this is no time to take prisoners—the more you kill and burn, the better—Kill all above the age of ten—make Samar a howling wilderness!*"

You see what Funston's example has produced, just in this

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little while—even before he produced the example. It has advanced our Civilization ever so far—fully as far as Europe advanced it in China. Also, no doubt, it was Funston's example that made us (and England) copy Weyler's *reconcentrado* horror after the pair of us, with our Sunday-school smirk on, and our goody-goody noses upturned toward heaven, had been calling him a "fiend." And the fearful earthquake out there in Krakatoa, that destroyed the island and killed two million people— No, that could not have been Funston's example; I remember now, he was not born then.

However, for all these things I blame only his It, not him. In conclusion, I have defended him as well as I could, and indeed I have found it quite easy, and have removed prejudice from him and rehabilitated him in the public esteem and regard, I think. I was not able to do anything for his It, It being out of my jurisdiction, and out of Funston's and everybody's. As I have shown, Funston is not to blame for his fearful deed; and, if I tried, I might also show that he is not to blame for our still holding in bondage the man he captured by unlawful means, and who is not any more rightfully our prisoner and spoil than he would be if he were stolen money. He is entitled to his freedom. If he were a king of a Great Power, or an ex-president of our republic, instead of an ex-president of a destroyed and abolished little republic, Civilization (with a large C) would criticise and complain until he got it.

MARK TWAIN.

P. S. April 16. The President is speaking up, this morning, just as this goes to the printer, and there is no uncertain sound about the note. It is the speech and spirit of a President of a people, not of a party, and we all like it, Traitors and all. I think I may speak for the other Traitors, for I am sure they feel as I do about it. I will explain that we get our title from the Funstonian Patriots—free of charge. They are always doing us little compliments like that; they are just born flatterers, those boys.

M. T.

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THE AMERICAN ACADEMY IN ROME.

BY JAMES McMILLAN, UNITED STATES SENATOR FROM MICHIGAN.

THAT was a fortunate day for art in America when Daniel H. Burnham urged the reluctant architects of New York City to participate in the World's Columbian Exposition in Chicago; and they, only half consenting, agreed to consider the matter so far as to visit the city that had won the privilege of providing the site for the Exposition in the exciting competition before Congress. They went, a train-load of the great builders and artists of the east; they saw a wilderness of swamp on the lake shore; and they returned with the resolve that they would do their part in building a transient city, that for a few short months should celebrate the discovery of America.

Then came the inevitable discussion of the general scheme; and after much debate it was decided that, instead of a large number of individuals each working out his own ideas, there should be one plan to which each architect should subordinate his own efforts. Moreover, the plan selected was no novel creation calculated to excite the admiration of the moment. On the contrary, they resolved to return to that general style of architecture in which the world's most beautiful, most dignified, and most impressive structures had been constructed. The buildings themselves might endure only for a day, but the impression made by them should be lasting.

To the work, moreover, should be called not only the architects but also the sculptors, the painters, and the landscape architects; so that all, working in harmony to attain a given end, might present a product instinct with the highest art to be attained in a land without settled art traditions of its own.

The success was beyond question. Uniformity of cornice line, subordination of individual features to the general effect, nice

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balance of parts in the composition, together with a happy blending of the formal with the informal in landscape treatment, all united to impress both the educated and the uneducated with a sense of that order, symmetry, and dignity which are the underlying characteristics of the American mind. Instinctively and universally the result was seen to be good.

The Exposition ended, the once beautiful buildings were broken up or destroyed by fire. The grounds were turned into parks, and the White City became apparently nothing but a glorious memory. Yet, although the body perished, the spirit lived. A little group, made up of those who had labored untiringly to produce so much beauty, determined that they would not willingly allow the idea of monumental building in America to die.

In 1894, the year succeeding the Chicago Fair, they established "The American School of Architecture in Rome," the object being to enable American students of architecture to develop their powers under the most favorable conditions, as to both instruction and surroundings. So certain was the success of the experiment, and so rapid the improvement of the students, that, three years after the foundation of the school, the promoters enlarged its scope to include the allied arts of sculpture and painting. In this way it came about that there was established in Rome an American Academy on the general lines of the French Academy, which since the days of Louis XIV. has trained for France the men who have given direction, unity, and lasting distinction to the art of that nation.

The first home of the American Academy was in the Palazzo Torlonia, and its first director was Mr. Austin W. Lord, of New York City, a member of the firm that has recently won the competition for the new building for the Department of Agriculture in Washington. In 1895, the Academy removed to the Villa dell' Aurora, once a part of the famous Villa Ludovisi, on the Pincian Hill overlooking the Villa Medici, the extensive and commanding quarters of the French Academy. Rising from a terrace elevated some twenty feet above the surrounding streets, the villa stands in the midst of a garden planted with trees after designs by the most celebrated of all landscape architects, Lenôtre.

During the years since its opening, the Academy has been supported by the voluntary gifts of its founders, and the money raised has represented, in the main, the self-sacrifice and devotion of

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men in the active pursuit of their professions. Without endowment of its own, the villa has offered its hospitality to the holders of various scholarships, such as in architecture, the Rotch travelling scholarship, Boston; the Columbia travelling scholarship, New York; the travelling scholarship of the University of Pennsylvania; the two scholarships for sculptors under the will of William H. Rhinehart, of Baltimore, and administered by Henry Walters, one of the most liberal and steadfast friends of the Academy; and the scholarship established for the study of mural painting, by Jacob H. Lazarus, under the charge of the Metropolitan Museum of Art, New York.

An exhibition held at the American Fine Arts Galleries in New York, during the December of 1896, first attracted public attention to the high quality of the work done by students of the Academy, and proved beyond question the desirability of supporting such a school.

The occasion of founding a school in Rome for the instruction of American artists has been explained. The causes are now to be considered. All great art borrows from the past the larger part of what it gives to the future. In architecture, the work of the individual is confined mainly to adapting to the conditions of his particular problem forms that have already been perfected. His originality is displayed in the selection of a suitable style of architecture and in the adjustment of its forms to the uses to which the particular building is to be put. For example, Thornton and his successors have created in the Capitol at Washington a building at once dignified, beautiful and individual; and yet they have worked in the classical style of architecture. So, too, the Interior and the Treasury Department buildings, following classical models, are recognized as satisfactory; whereas the State, War, and Navy building and the new Post-Office building, in which the architects have attempted originality as to style, already serve as warnings. These considerations become important in the highest degree when one reflects that government buildings are built to last forever; and that, while we deprecate those constructions which belong to an experimental style that has perished, there is always before the public a body of enthusiasts who believe they have discovered new fashions of building that will supersede the architecture of the past. In a few years these geniuses are crowded out by others with still newer fancies; but,

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unfortunately, their works live after them to be perpetual monuments of bad taste.

Now, it is the general opinion that, for monumental work, Greece and Rome furnish the styles of architecture best adapted to serve the manifold wants of to-day, not only as to beauty and dignity but also as to utility. Therefore, a school located at Rome, with the requirement that students shall spend a portion of each year in travel in Greece and Italy, offers the student an opportunity to make a thorough acquaintance with both classical models, and also with the models which mark the revival of classicism known as the Renaissance.

In the judgment of the founders of the Academy, it is of the highest importance that the student of art, before starting on his professional career, should study thoroughly in Italy, Sicily, and Greece the typical monuments of antiquity, and such works of the Italian Renaissance as are worthy to be ranked with them. Greece produced the greatest artists of the ancient world; but Rome, during her supremacy, became, and after her fall remained, the great reservoir of Greek art. Furthermore, Rome herself, as a powerful and far-reaching empire, adapted to her varied needs the art she had borrowed, so that the modifications of Greek art have a value to the student only second to that art in its original development.

During the Renaissance, Rome called into her service the artists of all Italy. With their aid, she built the most important church in all Christendom; and on the walls of her buildings were painted the most famous of all frescoes.

To this most fruitful field the governments of France, Spain, Belgium and Germany send their most promising students, to find those advantages for final training that are best fitted for a professional career. Up to this time, the American student has resorted to Paris, there to take at second-hand instruction which may best be obtained from original sources; and the Academy was founded by men who were trained in Paris and who recognized the limitations of their instruction.

At this juncture in the history of the Academy, the Senate Committee on the District of Columbia was ordered to report a plan for the improvement of the entire park system of the District. After consultation with the American Institute of Architects, the commission selected to prepare such a plan was made up of Daniel H. Burnham, of Chicago; Charles F. McKim and

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Augustus Saint Gaudens, of New York; and Frederick Law Olmsted, Jr., of Brookline, Massachusetts. Mr. Burnham, Mr. McKim and Mr. Saint Gaudens had been intimately associated together in the Chicago work, and they are also promoters and supporters of the Academy, Mr. McKim being its president, and Messrs. Burnham and Saint Gaudens members of the board of trustees. Mr. Olmsted, as assistant to his father, also had part in the work on the World's Fair.

The extensive studies of the Commission led them to recommend a return to the original plan of the city of Washington as prepared, in 1791, by L'Enfant under the direction of President Washington; and, in addition to considering the development of the parks as such, they discussed the whole subject of the location of public buildings, having in view both landscape settings and architectural effect.

The needs of the Government in the way of new buildings are very great. All the Departments are over-crowded, and clerical work is done at a sacrifice of time, comfort and even health. Besides, the Government is paying more than $200,000 a year in rentals for private buildings occupied in the District of Columbia. Among the projects now before Congress are the extension of the east front of the Capitol; the construction of an office building for the members of the House of Representatives; a new building for the Departments of State and of Justice, and another for the Department of Agriculture; a Hall of Records; new buildings for the National Museum and the Geological Survey; and an independent home for the Supreme Court of the United States, which always has occupied quarters in the Capitol.

The plans already accepted for the Agricultural building, which is to cost $2,500,000, were prepared by a New York firm of architects, one of the members having been a director of the Academy. The programme of the competition called for the use of the classical style of architecture, that being the style now prescribed for new public buildings throughout the United States by the Supervising Architect of the Treasury. There is universal agreement in Washington that, in the great revival of building about to begin at the national capital, the universal or classical type of architecture shall prevail. It is, therefore, necessary that opportunity be offered to American students to study in detail the architecture of Greece and Rome.

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The field for painters and sculptors is only less wide than that for architects. The decorations in the Boston Public Library and the Library of Congress have drawn public attention to mural decoration. Thirty years or more ago, Brumidi decorated the Capitol after the Italian manner; and, whatever else may be said of his work, it is at least a part of the architecture of the building. The opportunities offered by monumental structures, building and to be built, are so numerous that it seems to the founders of the Academy in the highest degree desirable to provide the means for our young men to study mural painting, where that art reached its highest development. It is understood that one of the foremost painters of the country, who is also connected with the Academy, is soon to go to Rome with a commission that it will require three years to complete; and during the time he is making a copy of one of the world's great decorations, he will also direct the work of the students in painting.

In the field of sculpture, the opportunities for public work are increasing constantly. The recent competition for the Grant memorial brought together nearly two score of models, the greater portion of the number having architectural features. Sculptors of the highest reputation were not represented in the competition, as was to be expected; and among the models many were crude in both conception and execution. The award calls for a second competition between the two sculptors who stood first on the list, to settle the question as to whether the ability shown in the sketch would be continued in the completed work. There is not in Washington to-day an important public work of sculpture by either Saint Gaudens or French. Other cities have secured from these sculptors statues of generals and statesmen, while the national capital has its commanding sites occupied by inferior statues of these same heroes, rendered often by political artists.

The bill for the incorporation of the American Academy in Rome, now before Congress, contemplates no more than such an official recognition of the project as shall give to its students the privileges accorded to students of the national academies of other nations; no financial aid is contemplated. The persons named as incorporators are among the leading architects, painters and sculptors; the great universities and technical schools are represented by their presidents; the Secretaries of State and War, the

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Librarian of Congress and the Supervising Architect, and a considerable number of men known for their interest in art and art education, have given their countenance and support to the enterprise.

A few weeks ago, the King of Italy sent for the director, Mr. S. A. B. Abbott, and expressed great interest in the idea that the people of the United States were about to place their school on the same financial basis with the French Academy. He asked all manner of questions denoting his sympathy with the project, and offered to attend the exhibitions of student work.

With so much interest, both in this country and in Rome, and with such a strong demand for men of the widest and deepest training, the future of the American Academy in Rome would seem to be assured.

JAMES MCMILLAN.

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WOMAN AND HER SPHERE.

BY THE DUCHESS OF SUTHERLAND.

"I have been ready to believe that we have even now a new revelation, and the name of its Messiah is Woman."—Oliver Wendell Holmes.

WERE it not for the never silent voices of the past, one might be tempted to imagine that, in common with the Röntgen rays, wireless telegraphy and the Maxim gun, the last decade of the nineteenth century bore the honor of the invention of woman.

Certain it is that round the magic name a mighty whirlwind of argument and pother has arisen. Through the dust of controversy one needs a clear eye to recognize that no petticoated species has suddenly been evolved. Womanhood has worn its halo and carried its stripes throughout the ages; what the poet has glorified, and man—prosaic man—has kissed or kicked, according to circumstances, is in no way metamorphosed. Clad in her robe of contradictions, woman was yesterday the pride or sorrow of our race; she remains the same to-day. The eternal feminine is the eternal feminine still.

Yet, at the dawn of a new century, we cannot be satisfied with these generalizations. To make good our claims in the present, we turn instinctively to the great women among the dead; for often a truer sense of proportion is attained by regarding the reflection of an object rather than the object itself. We grip strongly in our minds the thing that has happened; the thing that is happening may remain elusive.

They stand out singly in their power, those women of yesterday. Joan of Arc and Queen Elizabeth, Lady Mary Wortley Montagu, Fanny Kemble, George Sand and George Eliot, Madame de Staël, Mrs. Barrett Browning, Madame de Sévigné and Madame le Brun, Hannah More, Charlotte Brontë, Elizabeth Fry, Rosa Bonheur; in heterogeneous medley the names come tumbling

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through my mind. In their several ways all have sat serenely on the lap of Fame. *"Place aux dames"* without a murmur—and with ungrudging eulogy history has acknowledged the justice of the position.

We must, however, discriminate, and note the gulf of characteristics, of years, of countries, that stretches between these names; that has allowed the personality of each to be brought to such exquisite moulding. Undoubtedly, the tendency of the successive epochs with which I am dallying was altogether individualistic. Yet as we draw our minds to the present, we know that all genius unconsciously adapts its manifestation to the need of the race in its particular stage of development. History repeats itself, even if it repeats itself disguised, as it moves events, by the temper of the age. Joan of Arc and Elizabeth Fry are linked closer than the superficial observer might allow. The intelligence of Queen Elizabeth finds its civilized counterpart in our generation.

Society, while fundamentally unchanged, exhibits to-day a different state of affairs to that prevalent in the past. In the minds of men the historic element has declined, to make way for the growth of the modern element of science. Happily, or unhappily, according to opinion, science demands fresh methods of administration. It draws the ever-growing population of the world under its sway, and accomplishes movements and advances, not man by man, but by groups, by parties, by amalgamations. The very nature of our industries, of our trade combinations, of the inclination to congregate in cities—a foremost impulse with the people of the country—proves this. For the individual there can be no leisurely walking to pre-eminence; those who can must crush to the front.

Paradoxical as it may appear, it is to the tune of liberty that the world has been hurried to this fresh captivity. For, undoubtedly, we are in captivity to systems, in spite of the assurance that systems are but the framework of the eternal and ever-expanding idea. Systems, however, especially in their relation to economic and social conditions, have advantages; they cannot allow any portion of life to escape valuation or to evade its use.

We have already seen that a woman here and there in other centuries towered without emulation above the herd of her sex. Now, in its numbers, the whole sex, no longer singing of resigna-

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tion behind barred gates, has, through this rearrangement of the world's affairs, been called out for inspection, for inquiry.

The scientific spirit drills humanity by battalions, and judges results in the gross, but demands definition, analysis, precision in terms. As in our museums it labels specimens, in our dictionaries it classifies words, so for the human atom it can accept no general statements. Why are these women, it asks, and for what?

Surely, comes the immediate answer, for motherhood—the power which none can gainsay—motherhood of prophets and kings, motherhood of men. As mother, woman rocks the cradle of all civilization, she sets the commencement of all histories. Like a star upon her brow, she carries the notable moment of the beginning.

Science, however, passes beyond the passionate sentiment of this truth.

"Man is an organism," it says; "woman, in more refined and subtle form, is an organism likewise. Both, from natural instinct, take their share in the reproduction of the race. But, for mental growth, are woman's chances equal to man's chances? Is her position in harmony with the ideal social state? If not, give her the chances and the position; for to create harmony, to establish a scheme of justice, slowly, but for certain, is my mission."

And from this command emancipation for the sex has come—emancipation, sudden, perhaps, but inseparable from the law of evolution, and in league with progress, consequently in league with the welfare of society of which the "organic unity is a cardinal principle."

Just for a little we stand now dizzy with our own importance, uncertain, or too certain, of ourselves.

As we look out at the possibilities that have been accorded us for making headway toward the perfection of the future, there is reason to feel apprehension at the scramble of some venturesome female souls on the ladder of intellectual and political ascent. Adorned as these are by shapeless shirt-waists, indifferent to clearness of complexion and pearly teeth, such apprehensions do not arise from dread of a fell encounter with the tyranny of man; giggling golden-locks below is in full possession of all ammunition for such warfare. But the reflex action of their impetuous conduct upon their own lives is to be dreaded; for conduct does much to determine character, and character is essential to a woman if

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she is to be the builder of great things. What we are, not what we do, leaves the graven letters upon the stone.

Seriously, in considering the relative position of men and women in public life, one cannot cast reflection upon the enlightened man's attitude toward the enlightened woman. It is a shock for him, undoubtedly, when a few years ago, as we reckon time, she had no status in his calculations beyond the pleasing attraction of a plaything, to find now at his side a host of women claiming in calm determination equality of brain and muscle and opportunity with himself. But he has borne the shock well, and it is probable that he is perfectly ready to offer to the women who convince his reason of the value of their work a willing co-operation.

Now that we may speak our mind, let us declare that a world of men can no more be imagined than a world of women; for after all there is so little difference in their relative importance to the community. The combination of their varied faculties is the only condition within the range of fancy. The childish squabble, "You can't have this and I will have that," between the unreasonable representatives of the sexes, is puerile in the extreme.

There is an old story,* the Japanese myth of creation, of how Izananni and Izanigi, the Adam and Eve of the Land of the Rising Sun, stood upon the floating bridge of heaven, the rainbow. Izananni brought up from the bottom of the sea, with his coral pointed spear, the material of which he formed the first dry land. Descending with his consort Izanigi, they set out right and left to make the tour of the island. They met, and the goddess, speaking first, cried: "How delightful to encounter a beauteous male!" But at this Izananni took offence, for he thought it unbecoming that the female should speak first; so they made the circuit a second time, and when they met again Izananni said, before Izanigi could speak: "How pleasant, indeed, to meet a lovely woman!" Thus both were satisfied. Somewhat in the same infantile spirit, if not in the same civil manner, is the war between the extremes of both sexes conducted at the present day.

But in truth, in a matter of so much moment, the extremes may not be considered. To teach the imperfect sex to say "we," as the little organ blower taught the organist to say it when each learnt that neither could make music without the other, is, to my

* "Sunrise Stories"

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mind, woman's greatest mission. To ridicule passion or to despise the lover is unnatural and absurd; but to establish a true comradeship between the sexes is the highest purpose of life; yet is development so slow that only a portion of mankind and of womankind have learnt this secret of existence.

On a summer afternoon, from the breezy hill-side above a bay in the Western Highlands, is to be seen, meandering among the brown rocks, the strong silvery current of a river running to the sea. Presently, the tide rises to meet the river; and in time rocks and sand have disappeared under one sheet of water, whether salt or fresh one cannot tell. Its waves break with equal strength along the coast. To me such a scene is allegorical of the forces of life. The waters mingle, as the forces wielded by the hands and the hearts of men and women are united in one effort after one object.

Women are not meant to be fanatics, but rather to make fanatics of men. The sight of a mob or army of men who, thrilled by sudden emotion, sweep on to some goal, be it good or bad, brings to the onlooker a flush upon the cheek, a quickened throb to the pulse. A mass of women moved to enthusiasm or frenzy by the same circumstances awake no feeling but regret. Without her frame or environment, woman, as the unset diamond, fails to impress. She needs to be appraised sitting by her writing-table—holding, even as she talks, the book that she reads, the children of her home perhaps clinging to her knee.

To turn to the practical from the sentimental side of the matter, we realize that women are at present somewhat retarding things, for themselves and all the world, by a lack of discipline. Released from petty restraint, they occasionally overlook the fact that they must govern themselves. This is especially necessary for the woman with the largest sphere of influence, with the best administrative capacity. Before such an one knows it, great responsibilities slip into her hands. Tacitly, she is given the shaping of characters, the guiding of careers. To a few women this fact is ennobling beyond measure; to others it brings a sudden intoxication which is gravely unbalancing.

Man is by nature a philosopher; woman becomes one only by education. She forgets too often that to be ready to obey is a mark of strength; and she shipwrecks herself, in a sudden sense of superiority, on trifles and side issues. She has yet to learn that

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it is best to beware of "glorie or fame," which Montaigne calls that "vain image and idly simple voice which hath neither body nor hold-fast," best to refrain from battering against barred doors. Barred doors will be barred no longer when she has swept and garnished the many empty rooms leading to their approach, and which cry to her, as she rushes by, to make them in their emptiness habitable.

It is difficult, I know, to allocate to all ambitious women in public life their proper sphere. In fairness it must be granted that a woman, in spite of her avowed liberty, starts life under a disadvantage. She is harassed by trifles and conventionalities which a man escapes. There are certain expectations of a woman which hold without much reason to the general conception of her nature. She should be at the beck and call of all who have need—wide-eyed with sympathy and without complaint. She dare not beg the leisure a man commands, and is accorded solitude grudgingly, her very security of self becoming insecure.

It is, however, imperative that women should recognize this age as essentially one of preparation for the sex, rather than achievement. The natural powers of the average female mind are certainly equal, if not superior, to the average man's. Robert Louis Stevenson wrote his belief that there is something more substantive about a woman than ever there can be about a man. But so long a start have men obtained in freedom, and in consequent development, that opinion yields them a false superiority. Woman, like a butterfly emerging from the chrysalis, has wings at last, and latent strength to enable her to fly at will, but for a period she must wait for fuller growth. In this waiting, she comes to the possession of her own soul and finds, as Carlyle puts it, "by study of herself the ground she stands on, what her combined inward and outward capability specially is."

Above all education is needed self-knowledge. Self-knowledge will reveal "the spirit of the race, the almighty will of life." It will give calmness to look round, and temper strong persuasions with a weakness for weakness, and leisure to cultivate that saving grace, a sense of humor. Cultivate, did I say? The gift of the gods comes not by cultivation; still, what a glorious addition to the sum of life will be the emancipated woman with a sense of humor!

It is, perhaps, hard for us to be patient; to know that not to

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us, but to our children, and to our children's children will come attainment, that *we*, mentally and physically, must train ourselves that *they* may have the full and perfect life. With few exceptions we have no heritage of superlative health or nervous energy to uphold us. Our mothers belonged wholly to the *ancien régime*, and we must see to it that we strengthen, not squander, the faint physical forces which they supplied us with, for the body must support bravely the vigor of the mind.

Still, to be able to foresee, to know that the best and highest must ultimately be bequeathed by us to the coming woman, that in itself brings courage.

Courage is no mean quality to desire when we gaze at the multitude of women streaming, unchecked at last, through the open gates of opportunity. The wise ones walk with wary footsteps, ready in faith and humility to take up the allotted task; the shrieking band of ignoramuses, exorbitant in demands and unfit in capacity, tear past; and around and behind them everywhere the multitude of haggard, anxious women of our industrial classes sweep into the toil and turmoil of offices and factories. These accept in payment the pittance called wages, and evade inspection and advice from sheer terror of having an hour's labor curtailed or losing in any manner a weekly sixpence.

The serious part of the whole question is, that for many working women in the middle and lower classes emancipation is still so spurious an affair. They have freedom to work, that is about all; and the evils attendant upon over-pressure dog their every footstep. The middle-class women who hold important public posts as clerks, telegraphists, teachers, etc., have the hardest task. They know and understand, and yet they have neither time nor health to act upon their convictions. They may ride a bicycle if they can afford to hire one, but they can count on no support if they ask for higher salaries and shorter hours. Their freedom still resolves itself into authorized slavery. For the lower-class woman, matters are different, but no better. The working man in the same position reads, thinks, debates—he sees the possibility of becoming a man of mark. But the woman beside him is still rudderless; her untrained mind cannot grasp the meaning of the companionship he needs, her intellectual status is still appallingly low. One is haunted by the fear that, till women in the upper strata of society are united in letting their best influence filter

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through to the strata of varying grades below them, there is little gain for the sex as a whole. As things are at present, the aspect of our manufacturing cities, with their women's and child's labor, is no pleasing one.

Good it is that we can look beyond. The battle strews the field with dead, but the ultimate victory is not jeopardized. We, who tramp shivering at our experiences along the road of progress, know that at every step we march nearer the light. Through all these thoughts runs the fire of a larger hope, that upon our acknowledged virtues we may learn to graft the greater virtues; not, indeed, stolen from men, but absorbed from Him who has stamped all humanity with His likeness; the Silent Power controlling the spirit of every age, Who waits, even as we cry for immediate satisfaction, for grand fulfilment in the hereafter.

God is just, we say—science craves for justice—justice, that noble preceptor of love. When women emerging from prejudices come to the understanding of justice, then at last and for ever will be established the universal motherhood, the universal sisterhood, bearing for the women who toil in the valleys and for those who tread the mountains the same watchword—a watchword that, in glorious rhythm, will silence the yapping of industrial and class strife.

So moves the world, illuminating, as it becomes diviner, its own problems, divulging its own secrets, till at last on the great tree of life no branches may be stunted, no leaves withered, no flowers decayed.

MILLICENT SUTHERLAND.

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THE SITUATION IN SPAIN.

BY SYDNEY BROOKS.

LAST February Doña Maria Christina held her last reception as Queen-Regent of Spain; this month the boy King comes definitely into his own. By the side of the coronation of King Edward VII., the forth-coming accession of Alphonso XIII. has been but little thought of, but then an exact sense of proportion is not humanity's strongest point. The first is a spectacle, and therefore pleasing to the many; the second a political event of interest to the few. The Regency has lasted for sixteen years; and, as is usual with most Regencies, it has not been over-successful. It has, indeed, preserved internal peace. It has also preserved the throne. Such as they are, these are no inconsiderable achievements; there were few who would have thought them possible on the morrow of Alphonso XII.'s death. But during the Regency almost the last, certainly the most precious, parts of the Spanish empire have been lost to the crown by the fortune of war; and beneath a seeming tranquillity ominous forces are at work in the kingdom.

For better or worse Spain lies somewhat outside the activities of "our own correspondent," and the telegrams despatched from Madrid to Europe and America reflect either the views of a severely-censured press, or the frigid circumspection of the Court, or the optimism of officialdom. Madrid is even less representative of Spain than is New York of America, and the journalists who follow the Court from the capital to San Sebastian and back again are hardly nearer to the heart and realities of Spain than is the Fifth Avenue *flâneur* to Kansas. The outside world, indeed, has to be content with such knowledge of the life of the Peninsula from day to day as the Ministers at Madrid think it well to impart. We hear, accordingly, every few months, of Carlist plots and risings, and of the immense activity the Govern-

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ment displays in circumventing and suppressing them. The telegraph wires hum with the proofs of official vigilance and resolution; clubs are raided; Carlist noblemen are arrested and their houses honored by "domiciliary visits"; papers are seized and martial law proclaimed. Also, Europe is impressed. But in Spain these periodic disturbances produce no excitement. You will hear it pretty openly hinted that, as often as not, they are engineered by the Government for the purpose of strengthening its position, and that Ministers deliberately exaggerate them for the pleasure of posing afterwards as the strong and patriotic preservers of order. Or they are quietly written down as a speculative manœuvre to depreciate values, and some frankly cynical considerations are offered to the inquirer to explain the connivance of the politicians. But, however flimsy their foundation, the details of these movements and of the heroic energy of officialdom in crushing them are laboriously telegraphed abroad, while of the events that really count little or nothing is said. How many people outside Spain could, for instance, give an accurate account of that extraordinary resistance to the payment of the national taxes which Catalonia has maintained these three years and more? How many know that not once nor twice the wealthiest and most progressive province of Spain has hissed its own national anthem, and greeted the Marseillaise with cheer upon cheer? How many, again, are aware that the much-heralded tour of the young King two summers ago through the northern districts had to be abruptly broken off, so cool and "mixed" was the welcome offered in the first few towns he visited? These are the matters that signify, but of them the outside world is held in ignorance. Instead, we are regaled with full accounts of a police raid on the house of a Carlist Duke and the triumphal arrest of his *concierge.* But though the larger movements of disaffection are left unchronicled, the indefatigable Reuter serves up with some fulness small and localized incidents, and of these, too, there has been enough during the past few years to warrant disquietude. Ever since the Treaty of Paris put an end to the one-sided conflict with the United States, Spain has been in a state of troublous unrest. Barely a week has gone by without its record of riots and random shootings, of violent strikes, of cities in a state of siege, of the constitutional guarantees suspended in province after province. The capital itself has more than once been placed under martial

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law. It needed a significant hint from the Military Governor of Madrid to enable the marriage of the Princess of Asturias to pass off quietly. Within the last two years, five towns, including Madrid, have seen their streets overrun with anti-Jesuit mobs, bent on convent-sacking. Catalonia has hardly known a month of industrial peace, and from all over the country come reports of demonstrations against the octroi duties, against the detested but all-powerful priesthood, against the payment of national taxes. Is the gathering ferment of the last twenty years at length about to burst? Will the young King find himself before long on a throne shaken by revolution?

The question is not fantastic, nor is its answer so necessarily and decisively in the negative as one could wish. There are in Spain, as Canovas saw and said, many, if not most, of the signs of impending revolution. Constitutionalism has proved a farce in times of peace and an equally ruinous tragedy in times of war. From the first it was unsuited to the Spanish temperament, which has never yet been satisfied for long with any half-way house between Autocracy and Republicanism. Misgovernment and demoralization are its fruits. "There are no politics in politics," said an American statesman, and the epigram holds as good for Spain as for the United States. Spanish politics begin and end with the question of spoils. The parties that call themselves "Liberals" and "Conservatives" have no principles whatever except the principle of allowing one another a reasonable turn in office. The elections, so far from being a test of public opinion, are the nullification of it. The average Spaniard rarely takes the trouble to vote at all. If a man of education and breeding, he looks on the politicians much as a New York Mugwump regards a Tammany Alderman. If a peasant or small trader, he is apt, like the Italian *contadino,* to think of the suffrage as a trick invented by the police to get him into trouble. Government is a matter of arrangement and contract between the ins and the outs. The Premier decides before an election just how many seats he will require in the new Cortes. The *caciques,* who come nearer to the American Boss than any other product of political Europe, see to it that the required number is always forth-coming. The rest are distributed impartially and according to agreement among the different factions of the Opposition. Negotiations on this momentous point are carried on quite openly, usually

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through the medium of the Minister of the Interior, and their results are published from day to day in the Madrid press as a matter of course. The Premier is thus in the happy position of knowing just how he will stand in the new Cortes long before the electors have been approached. It is the function, or one of the functions, of the *caciques* to see that the people do not disturb the Premier's calculations by any inordinate desire to vote. Their methods are the familiar Tammany methods of fraud, repeating, personation and bulldozing. No Spanish government has yet failed in its appeal to the country, and none ever will so long as the wire-pullers stuff ballot-boxes, and marshal "repeaters," and bring dead men up to vote on a hint from headquarters. Constitutionalism, as practised in the Peninsula, is really nothing but an organized assault on the pockets of the people. The country is "run" by a few thousands of professional politicians who are "in politics" for what they can make out of it. Imagine New York as it was under "Boss" Tweed, and apply his system of government to the army and navy and to every detail of national and municipal administration, and one gets no exaggerated picture of Spain's present condition. The country may serve as an extreme instance of the evil which has flowed from England's success in administering the Parliamentary and Constitutional system. From about 1780 to 1870, Europe was possessed with an almost maniacal admiration for the British constitution. The most diverse countries—countries just emerging, like Italy, from political slavery, countries that had never known and never cared to know anything but the direct rulership of a single head,—copied or transplanted the British system, not because it suited their instincts, but simply because it was the mode and stood for "progress," and was supposed to be the last word in the art and science of politics. In no land has this indiscriminate homage had worse results than in Spain.

It is possible to conceive of an ill-fitting national system being neutralized, in part, at any rate, by a healthy development of local self-government, but Spain is denied this loophole. It is curious to note how all the Latin peoples, as we somewhat unscientifically call them, have tried to combine constitutionalism with the highly centralized form of administration—in response, probably, to their instinct for precision and synthetic arrangements and focussed authority. The two are incompatible in

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spirit, and in neither France nor Italy has the attempt to work them together proved a success. In Spain, if constitutionalism may fairly be said to have degenerated into a conspiracy against the people, the centralized administrative system may also and with equal fairness be labelled the handmaid to its viciousness. The Premier of the moment controls not only all the great offices of state, but every mayoralty, prefecture, collectorship, in the land. "If a change of Government has been deemed expedient, a clean sweep is made of all existing officials, from the Governor of a Province and the mayor of a city to a messenger in a Government office and the road-mender of a municipality." The country, in consequence, is flooded with carpet-baggers from Madrid, whose notion of their official duties is the making of hay while the sun shines. Their tenure is precarious at best; none of them knows when another "ministerial crisis" may not supervene; their salaries are small and, as a rule, in arrears; they must plunder to live. And plunder they do. It is mainly their depredations that have given point to the cry for home rule first raised in Catalonia. Spain, one must always bear in mind, is little more composite than Austria. It is a congeries of races and provinces that have never wholly fused. There are no Spaniards in the sense in which there are Frenchmen or even Americans. There are Catalans, and Basques, and Aragonese, and Andalusians, and Castilians, and so on, each of them intensely proud of his narrower fatherland, its dialect, its laws, its old traditions. Up to the time of Ferdinand and Isabella, the provinces were virtually autonomous. They held fast to the rights and privileges and customs they had grown used to as independent states; and their cry for home rule to-day takes the form of a demand for the restitution of their ancient *fueros*.

The demand is not merely one of sentiment. Like all the questions that really come home to the Spaniards, it has a very practical and businesslike side to it. Centralization spells carpet-bag government carried on for the benefit of the "aliens" of Madrid, home rule, or regionalism, to give it its Spanish name, implies not only the administration of a province by the natives of that province, but honest and economical administration. No province has suffered more from the harpies that flock from the capital than Catalonia, the wealthiest, most industrious, and most democratic portion of the peninsula. The Catalans are more Pro-

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vençal than Castilian in speech and character and instinctive ways of looking at things. Though only one-tenth of the whole population, they are the mainstay of the Spanish treasury, contributing to it nearly a quarter of the taxes raised from the entire country. Yet their interests are wholly neglected by the Central Government, and their province is over-run with needy office-holders who fatten upon their industries, pocket a large percentage of the taxes and give them in return a government which they could conduct far more cheaply and far more efficiently themselves. Plundered by these political spoilers, with seventy per cent. of the colonial trade which was their stand-by swept away by the war with America, the Catalans are strongly disaffected to Madrid rule. For many months in 1899 they were in a state of passive rebellion, refusing to pay taxes unless local autonomy were granted and a real effort made towards retrenchment and reform. A movement has even sprung up amongst them for separation from Spain and annexation to France. But the politicians seem to have learnt nothing from the war. The heedlessness they once showed to the Cubans they now display towards their own countrymen; and they have their reward in the hostility of the trading and commercial classes and the total alienation of the peasantry.

The Carlists are the least of the dangers that threaten the Alphonsist dynasty, though it suits the powers at Madrid to pretend they are still a formidable rival. Carlism, indeed, has ceased to be a cause and sunk into a mere cult. From thirty to fifty years ago, Europe had a semi-Byronic attachment for the fortunes of the Legitimists. The hero of the novels of the period had usually done a little fighting for the Carlists; the heroine was not infrequently a nurse in the Carlist service. Something of romance and aristocratic flavor hung round the banner of the Pretender. It was the gentlemanly and high-bred thing to be a subscriber to the Carlist funds, and whenever the Pretenders took the field they could always rely on the active support of English and Continental free-lances of birth and standing. All this has now vanished; the nobility have outgrown their whim, and Carlism, like everything else, has fallen under the grip of speculators, religious and financial. These, with a muster of Spanish grandees, make up the elements that now compose Don Carlos's "Court," and a very curious sight they offer to one who chances

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upon them on the Continent—the dull face and overgrown figure of the Pretender, and, hovering around him, now a soft-footed, obsequious priest, now a courtly Spanish nobleman, now a flashy be-diamonded "financier" of Semitic origin and usually French nationality. It is more interesting to come across than the rowdy *entourage* of the Duc d'Orléans, and outwardly, at any rate, more respectable, but so far as political value goes, there is little to choose between the two. Within the last thirty years, the world has travelled far from Carlism. Compare the strength of the cause now with what it was in 1870, when the last invasion of Spain was being organized, and one sees its hopelessness. In the seventies Carlism was a vigorous fighting force. Its coffers were filled with the offerings of the Mendicant Friars of Manila, and the bulk of the Spanish clergy were warm and active in its support. Spain at the time had practically no regular army to oppose the invaders, while the Carlists had at their disposal European officers of repute and a well-equipped and determined army. France, too, was more than friendly, gave money and arms, and complacently looked another way while Don Carlos made his preparations on French soil; and directly he was over the border, the sturdy peasantry of the Basque provinces and Navarre sprang to a man round the old standard. If he failed then, with all this in his favor, he is hardly likely to succeed now. The Pope, who always recognizes facts, when the unity of Italy is not one of them, has rallied the Church to the Alphonsists, and very few of the higher clergy in Spain now dare to proclaim themselves Carlists. Still less do they venture to proselytize in the Legitimist interests. The day when every priest in the Peninsula mounted sentinel for the Pretender is past. Moreover, the exchequer is empty. The Philippine friars are now mendicants indeed, and cannot spare a peseda. The Government, too, has at least 100,000 veterans at its call, and Bismarck's efforts to include Spain in the Triple Alliance, as well as the extensive holdings of her people in Spanish securities, have converted France into an upholder of the existing dynasty. The next Carlist revolt, if there ever is another, will not have the same number of jumping-off grounds to choose from. There has also been a change in Spain itself. The mountaineers of the north are still, no doubt, passive sympathizers with the old cause, but of late years the development of their railroads and mines has given them something

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else to think of. Don Carlos made frantic efforts during and immediately after the Spanish-American war to turn some of the sentimental interest in Carlism into solid cash. Titles and honors and concessions were promised without stint, and the Pretender practically mortgaged the present and prospective resources of his country up to the hilt. But none of the big capitalists of London or Paris was to be caught, and the Legitimist exchequer is still far from the point where it could hope to finance a revolution. Indeed, if one were to say that Carlism commands the latent but quite inactive sympathies of one-twelfth of Spain—and that twelfth the poorest and most ignorant—one would be putting its prospects in an ultra-favorable light.

Politically, the cause of the Legitimists stands, briefly, for autocracy tempered by a revival of the old Spanish Cortes on the basis of representation by classes. It stands, too, for a very militant and reactionary Catholicism. But neither the divine right of kings nor the temporal power of the Church is a cause for which men will fight nowadays. What, apart from sentiment, gives Carlism such strength as it possesses is its support of the principle of decentralization and provincial home rule. This, however, though a much-desired reform, is one that even Catalonia would not purchase at the price of civil war with Carlism for its aftermath. We are told, but then we are always being told something of the kind, that the Carlists intend to mark the accession of Alphonso XIII. by an explosive *coup,* and that, to give an extra fillip to the enthusiasm of the rank and file, Don Carlos will resign in favor of his son, Don Jaime of Bourbon. Don Jaime is a lieutenant in the Russian army, which thus possesses in its ranks two aspirants to European thrones, Prince Louis Napoleon being the other. Don Jaime took part in the Manchurian expedition of 1900, and is understood to be an ardent soldier. He has so far made only one public utterance on Spanish affairs, in March, 1901. "I shall soon," he said, "leave the Russian army to play the rôle reserved for me by events, but while I wear the Russian uniform I shall have nothing to do with politics. I follow Spanish affairs not as a mere spectator, but as one who at a given moment may be called personally to take part in them." Confident words, but they arouse no echo in Spain. If Carlism could attract to itself the social and industrial discontent of the masses, if it were thought by the merchants

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and traders to hold out the promise of better and cheaper government, it might yet have a chance. As it is, I do not think a careful judgment can pronounce it other than a movement impotent in itself and for its own purposes, and yet capable, in the event of a general *émeute,* of doing a certain amount of damage.

Nor, from the point of view of a possible revolution, are the Republicans, as a political party, to be taken much more seriously. They have an organization; and, like all Spaniards, they can and do make speeches of suffocating eloquence. They are also allowed a few seats in the Cortes and from the mouths of some of them are heard occasionally the real sentiments of the silent, toiling, hopeless masses. But even if their leaders were as united as they are discordant and factious, and even if they had command of the necessary funds, there would still remain the question, What chance is there of a *political* revolution in Spain? Is such a thing possible? By a political revolution one means, of course, an agitation conducted peaceably, by constitutional means, through the press, from the platform, at the hustings, gathering support among the electors, and sending to the national Parliament representatives to press and insist upon and finally to carry the programme of reform. Of this, or anything like it, there is no hope in Spain, not only because the professional politicians have turned the whole fabric of constitutionalism into a fraud, but because the people themselves have neither the inclination nor the intelligence for a campaign of that kind. For its successful working, the democratic system asks public spirit, a leisured class, or, as in Germany, a strong and capable bureaucracy, and intelligence. And the first of these prerequisites is intelligence. But in Spain there is no more public spirit than there is in Tammany Hall; Spanish patriotism, like Spanish budgets, is a thing to mouth over, an exercise in oratorical legerdemain, not an impulse that forces men to do something, sacrifice something, for their country; while as for intelligence, the census discloses the dismal fact that seven-tenths of the people of Spain can neither read nor write. Those who know the Peninsula are aware that this astounding fact, hardly to be paralleled in any other civilized country unless it be in Southern Italy or parts of Russia, reveals only half the truth. The education of the three-tenths who can read and write is of the most meagre and scattered description. The whole weight of the Church is brought openly into play for

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the repression of knowledge; and to have graduated at a Spanish university carries with it to-day as small an implication of culture, or even of ordinary information, as attached forty years ago to a degree in an Ohio college. The most casual traveller in Spain must have noticed the extraordinary ignorance of modern languages and contemporary history that obtains even among the well-to-do. The Cortes focusses this ignorance, just as it focusses the oratorical phosphorescence, and that curious deficiency in what we know as the virtues of common-sense that goes with it. Politically, the sixteen millions of illiterates are helpless, and being helpless, seeing that their needs and desires are passed over in the Cortes, knowing that their votes, when they vote at all, weigh for nothing against the machinations of the wire-pullers, they have come to lose all individual interest in affairs of state. Their one desire is to be let alone in peace, and to make enough money to keep themselves and their families alive. A profound scepticism of their public men and institutions, such as one notices among the Italian peasants and to some extent among the middle classes of France, pervades and demoralizes them. But the idea of reform by argument and popular agitation is one that bitter experience has driven out of the Peninsula. It is not the Spanish way of doing things; it is never the illiterate way of doing things. When taxation, misgovernment or business stagnation reaches the unendurable, a scapegoat is looked for, there is a blind rising, conflicts with the civil guards, rioting, a little sacking, possibly a murder or two. Illiteracy knows of no weapon but force, and to the Spaniards a revolution is inseparable from the bullet and the knife.

The real danger that threatens the dynasty is less political than economic. The people at best are sullenly disaffected, and under whatever fiction of constitutionalism are, as a matter of fact, kept down by force. They believe, rightly or wrongly, that things have reached such a pass that no Spaniard can honestly become rich, and that is the sort of belief that makes for revolution. The idea of impersonal, even-handed justice between man and man, rich and poor, has vanished from their consciousness. Have they not seen their sons and brothers snatched over-sea to the Cuban and Philippine shambles, while the rich man's son, armed with a medical certificate or by paying a small exemption fee, escaped? Do they not know that, thanks to the complaisance

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of the tax-collector towards the well-to-do, the brunt of taxation falls on their small earnings? In Spain, as in Austria, a hundred cumbrous regulations strangle commercial development; and it is the petty trader, the small farmer and artisan, who feels them most. Under businesslike management, the Peninsula, with its rich soil, its great deposits of iron, copper and lead and its magnificent climate, might be made the most prosperous of countries. As things are, the traveller is oppressed, as in Ireland, with a surrounding sense of poverty and sordid struggle. Taxation grows heavier and more obnoxious; and yet the national revenue little more than suffices to cover the annual interest on the debt. The colonial trade, if artificial, was large and gave employment to many thousands. If the loss of it—for in a few years it threatens to be no greater than Russia's trade with Morocco—means that Spain will turn her attention to her internal resources, it may yet prove a blessing in disguise. Meanwhile, it is hurrying on an industrial crisis in the many trades that flourished on their exports to the West Indies and the Philippines. Some 250,000 soldiers have been brought home, the officers to be a charge on the Civil List, the men to swarm into the already over-crowded labor market; and every village in the land has learned from their lips the shameful tale of official corruption and neglect.

Nor has the dynasty managed to win that personal popularity which is one of the best guarantees of security a monarchy can enjoy. The Queen-Regent is an alien and has never caught, never perhaps made much effort to catch, the Spanish note. The Spaniards as a nation suspect foreigners; they like dash and brilliancy in their rulers, and the Queen's tastes run to thrift and a quiet fireside; they look for pageantry and splendor and a brave hospitality in their Court and complain that *la Señora* has presided over it as though it were a model German household of the middle classes. For the Queen's domestic virtues and accomplishments, which are cast in rather an austere mould, they have "respect," but they do not warm to them. Somehow or other, Her Majesty has not been able to win the affections of her impressionable subjects. She has seemed at times even to emphasize her foreign birth by frowning on bull-fights and other national amusements, and by keeping herself and her children deliberately aloof from the common pleasures of the people. No monarch can do

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this with impunity, least of all in Spain. Of the boy King his subjects know nothing, except that he is studious and sickly. His father died of consumption, and the ill-health of Alphonso XIII. is, therefore, of sinister moment. To the masses he is a mere symbol, having been reared in a thoroughly un-Spanish, though perhaps necessary, seclusion. But the dynasty has made political as well as personal mistakes. It has allied itself with the Church and allowed priestly power to grow, until the people have been goaded into outbreaks, which even their unquestioning faith in its superhuman attributes could not restrain. Reactionary where it is not revolutionary, the Church in Spain has been equally the foe of progress, order, and intelligence. The immunities it now enjoys, collectively and individually, from the operation of the civil law and from the taxes that fall all the more heavily on the lay majority, its control of education, the rapid multiplication of monasteries, convents, and Jesuit seminaries, its influence at the Court, in politics, and in the domestic life of the people, are beginning to bear the usual fruits of untempered liberty. Were a twentieth-century Luther to arise in Spain, he would find in the corruptions of the Church and in the lives of but too many of the priesthood the storm-signals of a coming crisis. It has been the policy of the Queen-Regent to wean the Church from Carlism by restoring to it most of the powers and privileges it enjoyed under Queen Isabella; and the marriage last year of the Princess of Asturias, the heir presumptive to the throne, to Don Carlos de Bourbon, a son of an avowed and militant Carlist, put the coping-stone on her many efforts to this end. The marriage was bitterly resented by the masses as a token of the reactionary policy which the dynasty thinks essential to its security, and but for the promptitude of General Weyler, who turned Madrid into an armed camp, popular violence would have stopped it. A régime of theoretic Carlism is a prospect which, as they unmistakably showed, does not appeal to the Spaniards of to-day. Were it to become, as by the death of the King without issue it would become, something more than a prospect, the gravest apprehensions could not be resisted. And apart from this, apart from the unlucky fact that Alphonso is the thirteenth of his name, the dynasty has antagonized the thinking and resolute elements in Spain by allying its fortunes with those of the Liberal party, the most discredited of the many discredited factions whose wranglings

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fill the columns of the Spanish press. What gives all this its significance, and really puts it in the right focus, is the fact that by Spanish constitutional practice, it is not upon the Ministers but upon the Monarch that revolution converges. The history of the Peninsula during the past hundred years shows that it is always the ruler who is made the scapegoat and not his advisers. "The King can do no wrong," a fiction that is half the basis of true Constitutionalism, has never found acceptance in Spain—one more proof, if proof were needed, that the Spaniards have not the root of the Parliamentary system in them.

The visitor to Spain, then, finds a country where the dynasty is divorced from popular affections, where placemen and windy politicians have turned the whole governmental framework into a means for private plunder, where trade is dwindling, where the inarticulate masses are sullenly antipathetic, and where the captains of commerce and industry are openly and implacably hostile. Hardly one of the signs of an upheaval is wanting. The determination to be relieved at any and every cost from the incubus of corruption and inefficiency and make-believe, is one that has taken firm hold of all that is vigorous and progressive in the Peninsula. On what support can the dynasty count? The easy-going Andalusian gives it his backing for what it is worth; Castile and Madrid, of course, are on its side, as well as the majority of the clergy and the deputies and office-seekers who fatten upon its fruits. The nobility is divided, but where it is not Carlist it is Alphonsist. These, however, are not the vital elements. The fate of Spain at any real crisis lies in the hands of her generals. It is the Army that is the decisive factor. And in this connection one must remember that Spain is the land of the *pronunciamiento,* that a few capable officers have more than once, within recent years, upset dynasties and introduced and imposed upon the people new forms of government. Taking actual stock of the situation as it is to-day, one finds that the Army is for the moment summed up in the person of General Weyler, its real as well as its titular head. It is not too much to say that he is the master of the situation as no man has been in Spain since the days of Marshal Prim. He has wealth and energy; unlike most Spaniards, he talks little and works hard; a wiry, secretive, enigmatic man, of whom more and more people are beginning to speak as the future savior of his country. Many

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things more surprising may happen than a whiff of grape-shot in the streets of Madrid, a second flight of the Bourbons, and the appearance of General Weyler as dictator in chief. The man on horseback, it is easily said, is only a temporary solution, but the axiom is not universal. If, as the result of the *pronunciamiento*, there could be evolved a quasi-military Republic, strong enough to enforce order and to stop any such riot of license as followed the proclamation of the Republic of 1875, pledged to provincial autonomy and zealous in the things of material development, it might prove for Spain the beginnings of a real and lasting *risorgimento*. It is, at all events, hard to see through what other channel regeneration is to make headway. Efficiency, to fulfil its mission, must be prepared now and then to play the tyrant. But, whatever happens, it is worth insisting that Spain is and must always remain an essential member of the European family. Europe, in spite of the common phrase, does not end at the Pyrenees; and Spain, with her stake in Morocco, her holdings in and off the coast of Africa, and her command of one side of a mountain range, the neutrality of which is worth an army corps to France, may still have before her a vital part to play in the politics of Europe. Her development has been peculiar, but not hopelessly so. The truth seems to be that in spite of the chronic disorders of the last seventy years, Spain has never been reorganized. Alone among the countries of Europe, she remains practically unaffected by the two greatest movements of modern times, the Reformation and the French Revolution. For three hundred years, she has done little but mark time and live in the past to which she mentally belongs. The upheaval must come sooner or later, and there is much to make one think it will not be long deferred. In whatever form she emerges from the crisis that is closing in upon her—whether under the Carlists, or under the present dynasty, or as a confederation of Republics presided over either by a monarchy or a military dictatorship—really matters less than that she should have to face no crisis at all. The reason is simple. There is some hope in revolution; there is none whatever in stagnation.

SYDNEY BROOKS.

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A HYMN TO THE SEA.

BY AMÉLIE RIVES.

O MIGHTY One, thou who art friend of Death,
And yet no enemy to piteous Life
But rather her consoler; thou whose breath,
Brimming the vasty shell of heaven with strife,
Doth take the Pleiads by their golden hair,
Yet o'er a fragile globe of silver-seed
So delicately wingeth, that nowhere
Its symmetry is marred; thou who dost feed
The restless soul with restlessness, the heart
That longs for peace with that hushed spirit of peace
Which, from the birth of time hath moved apart
Over thy moon-ruled waters;—O release
From sorrow's selfishness my aching soul,
And with thy healing chant my broken heart make whole!

Scorner of moderation and control
Save when One draws thee toward her starry throne;
Titan, content with solitude; free soul
Of this bound earth; thou who hast spells alone
To make of grief a thing as fair as night;
What is thy message unto such as me—
Those who by Love are mocked for loving Right?
Hast thou no stilly cave lit solemnly
By the reflected beauty of thy Queen,
Thine unattainable, ideal love?
No grotto of white coral veiled with sheen
Of purple sea-weed, in the calm whereof
I might lie down and take my fill of sleep,
Even as thou dost of loneliness, O godlike deep?

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Thou who didst take wild Sappho to thy breast,
And smooth her glorious hair to maiden meekness,
And kiss her cool, pale lids to lovely rest,
Surely unto her handmaids, strong with weakness
To crave of thee surcease, thou wouldst be kind—
Yea, to the least of them, even unto me—
O sure Magician of tired souls and blind?
Lo, I can feel thee drawing me to thee
Even as thyself art by Seléné drawn,
The while fair Tethys, with the certain smile
Of wives and goddesses, reigns calmly on
O'er all but thy vast tides. A weary while,
A weary while have I been caged of fate;
Free now my ready soul, ere freedom be too late!

Yet should I fare to thy green-gloomèd realm,
I pray thee leave me to my loneliness,
Nor her of the violet eyes that overwhelm,
The drenched gold ringlets and the sleek gold dress,
Anadyoméné, thy loveliest child,
Permit to gaze on me in curious wise;
On me, who by dark sorrow am beguiled
From all things lovely. Nor in Nerëid guise
Let thou the passionate Lesbian's flame-white ghost
Vex me with eyes that recollect delight,
Since I am one of those who at the most
Desire no memories, only sleep and night.
Wrap me in quietude as in a shroud,
And lay me where thine organ voice swells not too loud.

Alas! alas! that selfishness of woe,
Against the which I did invoke thy power,
Filleth my heart with longings whereunto
I may not worthily attend. No hour
So brimmed with misery that we may not add
Some drops of wisdom and of courage true;
No tide of thine so full, but that the glad,
Cool-fingered Hersè, bringer of the dew,
May from her starry urn of silver glass

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Upon thy bitterest wave sweet moisture pour.
Thy darkest depth hides flowers; thy loftiest mass
Of storm-suspended water to its core
Is by the lightning pierced—radiance too brief,
Like the prophetic fire which springs from noble grief!

My heart, O Sea! my heart too hath its tides,
Its moods of rage, its calms, its storms again;
Its ice-bound regions where no life abides,
Its snow-fields where a rose would seem a stain;
Its caverns deep, more murmurous musical
Than shells that in their dreaming sing of thee;
Its wrecks majestic, and its towers tall
Of moon-white castles built for ecstasy,
But turned by time to echoing tombs forlorn,
Where many a drownèd hope doth lie in state.
Lo! these are mine too; but that jubilant scorn,
That blithe disdain of ever-changing fate,
Which thou by very mutability
Dost manifest to all—that would I learn of thee!

Before thine altar of implacable rock,
O'erhung with foam-flower garlands iridescent,
And jarrèd ever by the clangorous shock
Of votive waves—there, while the mirrored crescent
Of young Séléne's forehead-gem doth rest,
As in a shaken glass of chrysolite,
Upon the love-tossed armour of thy breast;
There, while long, singing lines of breakers white,
Like rows of vestal virgins seen afar,
Come trooping up thy dark sonorous aisles,
And Evening offers up her loveliest star;
There will I proffer thee my vanished smiles,
My joys forsworn, my sorrows yet to be,
So thou but hear my prayer, O well-beloved Sea!

Thou terrible, thou beautiful, thou free!
Soother of woes unsoothèd else! Desire
Of desolate poet-souls! To thee, to thee,
To thee alone I cry! O lift me higher!

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O toss me starward as I were thy spray!
Into my empty life, as 'twere a shell,
Breathe thou thy mystic monody, and lay
Upon my heart thy deep, eternal spell!
For lo! thy pain supreme is like to mine!
Heavenward thou yearnest and must yearn for aye,
And even as the Lady Moon divine
Over thy passionate surge holds gentle sway,
O may my soul's tides ever rulèd be,
By the pure golden sphere of Love's high mystery!

AMÉLIE RIVES.

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WILL AMERICA PROFIT BY ITS RECENT MILITARY LESSONS?

BY COLONEL WILLIAM H. CARTER, ASSISTANT ADJUTANT-GENERAL OF THE UNITED STATES ARMY.

WHEN educated men find themselves in possession of some leisure, they not infrequently resort to theorizing with the earnest desire of instilling new ideas into the business or profession which they have selected as their life work. Thus it happened that, for a period of some years immediately preceding the war with Spain, officers of the Army produced a great many valuable essays on subjects directly connected with the organization and equipment of armies. These essays advocated progress along the line of modern development, and their publication made them public property; but, unfortunately, there was no General Staff corps in the Army to utilize such material.

Much good was accomplished, so far as the regular army is concerned, during the period between the cessation of active Indian hostilities—these may be said to have terminated with the close of the Pine Ridge campaign in the winter of 1890 and 1891—and the outbreak of the war with Spain. But as to matured and accepted plans or provisions for the expansion of the regular army in anticipation of war, or for the organization of volunteers, no real progress had been made, or, at least, no system had been adopted which was available when the destruction of the "Maine" aroused a demand for immediate action. After war with Spain became inevitable, an informal board of officers was convened in the War Department, to devise a scheme for expanding the regular army and determining the proportion of volunteers to be furnished by the States and Territories.

Few, if any, of the harbor defences were in a completed state, and it was well known that there was not enough ammunition on

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hand for the large guns to resist any serious attack. The Department took every step possible with a view to preparation, anticipating that the measure which would authorize it to begin the work of raising a volunteer army would be passed. But at a time when moments were invaluable, legislation was delayed; and, to the consternation of the War Department officials, it was hinted that the bill was unsatisfactory to the National Guard of some States, because it did not provide for bringing certain officers into the Army with the rank held by them in their respective State organizations.

Several features of legislation, based on the experience obtained in the Civil War, were made as prominent as possible in all the bills proposed by the War Department, because it was felt that success or failure in securing proper legislation on those points meant a full measure of efficiency or the reverse. The two points most strongly urged were, that enlistments should be made for three years or for the period covering the war, and that recruitment in the several States should aim at keeping their regiments in the field at the maximum strength, and not at constantly raising new regiments. The failure to adopt these two principles of organization, at the opening of hostilities in 1861, led to a costly and humiliating experience. The war with Spain began on April 21st, 1898; but the two acts of Congress under which the volunteer and regular armies were organized did not become laws until April 22d and April 26th, respectively.

The Act of April 26th, 1898, provided for a war and a peace organization of the regular army; but as the regulars were, as they always should be, used for the first line, there was no time after the declaration of war to organize the new battalions and squadrons which the act authorized, until after the regiments had nearly all been in battle—a fact which proves the falsity of the theory of "skeleton" organizations. Had Congress considered and acted on the matter during the long and stormy session preceding the declaration of war, the efficiency of the regular army, so far as numbers are concerned, would have been doubled, and perhaps the entire cost of the increase might have been saved through the reduction of the number of volunteers required. As it was, the law was passed too late to accomplish any good, because the volunteer regiments were being raised at the same time to the great disadvantage of recruiting for the

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regulars, and it proved an expensive and disorganizing measure, creating in the end much dissatisfaction throughout the regular army. This arose from a demand that all men enlisting in the regulars after the declaration of war should be allowed the same privileges of discharge, extra pay, etc., that were, later, given to volunteers. Under much pressure, this demand was complied with, and the result was a feeling amongst the real veterans in the ranks of the gallant little regular army, which had promptly responded to the call of battle, that they were the victims of marked discrimination and injustice.

Hurried from widely separated posts on the frontier, marched aboard transports in midsummer, disembarked in the surf of a tropical and foreign shore, without supports or reserves, the little army of highly trained men had moved to the assault of an intrenched enemy, and, in the face of all theory and academic teaching, wrested victory from astonished opponents, and not only received the surrender of an enemy larger in numbers, but greatly hastened the complete downfall of Spanish power in the West Indies. The country could ill afford to discriminate against these men, in favor of the recruits who came to fill up the companies to war strength and to complete the skeleton battalions.

The President and his co-workers were advised of the unprepared state of the Army and of the defences for immediate war. The Navy, too, was far from ready, for no one could foretell that the combat with Spain's fleet of splendid cruisers would be staved off until Clark could arrive with the magnificent "Oregon" off the Cuban shore. Everything which could be legitimately done at the time was hastened forward to make up for past neglect; but guns and ammunition, range finders and submarine mines do not appear at the signal from a harlequin's wand.

On the night of February 15th, the destruction of the battleship "Maine" in Havana harbor so horrified the nation that it required all the statesmanship and wisdom of the President to delay the inevitable conflict. On March 8th Congress unanimously voted $50,000,000 for the national defence, but as the new Spanish Minister, Señor Palo y Bernabe, entered upon his duties at Washington a few days later, the appropriation was not regarded as a war measure.

The brief period intervening before the passage by Con-

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gress of the resolutions authorizing intervention in the Island of Cuba was used to advance preparation for war, but the army authorities were greatly embarrassed by the failure of Congress to pass any of the measures for raising an army until war was actually declared. For nearly thirty-five years the nation had not engaged in civilized war; but it had, during this period, gradually put an end to Indian hostilities within its own borders, and turned the whole energies of the people to the upbuilding of new States and the extension of the greatest industrial development known to any like period of the world's history. The nation was unprepared, yet when war was declared every shoulder was put manfully to the wheel. With these preliminary remarks in explanation of the difficulties of the situation, a statement of the work actually accomplished will be better appreciated.

As early as April 15th, 1898, in pursuance of orders sent to Department Commanders to concentrate nearly all of the cavalry and infantry regiments and field batteries of the regular army at Southern camps, the bulk of them were assembled at the famous battle-ground of Chickamauga, and others at Mobile, Tampa and Jacksonville. The veteran chiefs of the various Staff and Supply Departments, who knew so well the horrors of war and its expense, both in blood and treasure, were loath to believe that the movement would prove more than a demonstration.

In our military system, organization and recruitment of armies pertain to the Adjutant-General's Department. Fortunately for the country, the then newly-appointed Adjutant-General was an officer of magnificent physique, indomitable perseverance, a long and varied military experience, and he possessed the confidence of the administration.

The best feeling animated all the staff departments, but, alas, disbursing officers must needs hesitate and ponder at every step as to whether they are protected from their enemy, the Comptroller, by instructions requiring expenditures "by order of the Secretary of War." During the one hundred days when an army of 250,000 men was being enrolled, mustered in, clothed, armed, equipped and prepared for battle, many a heart-sick official wondered if Comptrollers ever knew that war was going on.

On April 23d, 1898, the day following the passage of the act authorizing the volunteer army, the President called for 125.000 men. One of the provisions of that act reads as follows:

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"Provided further, That when the members of any company, troop, battery, battalion, or regiment of the organized militia of any State shall enlist in the Volunteer Army in a body, as such company, troop, battery, battalion, or regiment, the regimental, company, troop, battery, and battalion officers in service with the militia organization thus enlisting may be appointed by the governors of the States and Territories, and shall when so appointed be officers of corresponding grades in the same organization when it shall have been received into the service of the United States as a part of the Volunteer Army."

Trouble began at once, for there were thousands of men in militia organizations who were not fitted for the hardships of a campaign, and many others who did not "volunteer;" individual consent is, of course, a prerequisite to taking the oath of enlistment. Much pressure was used to reduce the number of privates required in each company, but there was never a proposition for reducing the number of officers in any organization. Militia organizations habitually have a large percentage of officers, many of them bearing titles unknown in similar organizations in the Regular Army. Only those who had opportunity for actual observation at the War Department during this trying period can comprehend the annoyance and delays which were occasioned by this proviso, which was inserted purely for the purpose of taking care of a large number of persons who, ordinarily, would not have been received into the Army as officers. The best interests of the country demand that Militia or National Guard organizations should conform to those of the Regular Army. This should apply to organization, drill regulations and service equipment, leaving the question of dress uniform to local considerations.

The Adjutant-General insisted upon the proper number of enlisted men for each organization, but he was overruled. The Secretary of War assumed the responsibility of lowering the standard for the Pennsylvania contingent to sixty-three men per company; and, of course, this action became a precedent. It may be remarked here that no Secretary of War has time to pass upon even a small fraction of the business done in his name. As far as possible, the business is classified; and when one case is duly considered by the Secretary and action thereon recorded, subsequent cases of like character are passed upon by subordinate officials, who follow the precedent established, subject always to further appeal to the Secretary.

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One of the crying evils during the Civil War was the existence of many regiments of volunteers in which vacancies in the grades of commissioned officers were filled by the Governors, but whose companies were never recruited. The decision which had been secured from the Secretary was about to occasion a repetition of this historical error of organization, so thoroughly exposed by General Sherman during the Civil War, when the President intervened and adjusted the matter by calling for 75,000 more volunteers, requiring the State quotas to be furnished in enlisted men only, for such of the regiments already mustered in as were below the standard. Prompt measures were taken to carry out this plan by requiring regimental recruiting parties to return to their own States and secure recruits to fill up the ranks of their organizations. The experience gained at this time was well worth the expense, and the practicability of keeping up volunteer regiments by home recruiting was established for all time, notwithstanding the fact that one Governor of a Southern State telegraphed to ask if there was any objection to recruiting his quota in Chicago.

The selection and appointment of General and Staff officers went on apace; but the multitude of applicants who appeared in person, often accompanied by Congressional delegations, so crowded the rooms and corridors that it was only after the War Department building was cleared at night that the officers and faithful clerks could make real progress with the work in hand.

The desire for news throughout the country drove the correspondents and reporters to the Department in such numbers that their presence became a serious embarrassment to the transaction of public business. That the consideration shown to some of them was not appreciated by the journals they represented is well established by the unpatriotic, sensational and persistent course of misrepresentation which characterized their publications throughout this period. Conservative officers are of but one opinion as to the urgent necessity of regulating the giving out of news during war, or when war is imminent, and as to the advisability of restricting representatives of the press within such limits as will admit of public business being carried on without the presence of persons interested in making public that concerning which a discreet silence should be preserved.

By dint of persistent and able work, the commissioning of

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the Generals and Staff officers was gradually effected and orders issued assigning them to various commands. Brigades, divisions and corps were organized and camps selected, with the best judgment which could then be brought to bear upon the subject. The Administration was subjected to unreasoning criticism because of the appointment of a number of wealthy young men and some others who were sons of prominent or successful men in public or business life. It by no means follows that, because the father has distinguished himself, the son will do the same; but, other things being equal, the son of a distinguished father is very apt to seek service and make a manly effort to establish a reputation which will enhance that of his father. There is no pride akin to that which comes from a knowledge that one's ancestors have done the State some service. American manhood has, at least, lost nothing by the unpretentious services of wealthy volunteers; on the contrary, it argues well for the Republic that such men put patriotism above pelf.

The work of organization—the mighty task of putting a quarter of a million men under arms and equipping them for actual service in less than ninety days, in face of all the obstacles which confronted the Department—was performed in such a manner as to merit the unqualified approval of the entire country. The 125,000 volunteers summoned by the first call were put in the field in thirty days.

The regiments composing General Merritt's army had been assembled on the Pacific Coast, brigaded and started on their long voyage to Manila. The Porto Rico expedition had been organized with some difficulty, due to the action of Governors of States in insisting that their regiments should have a chance to participate in active service. This difficulty was diplomatically adjusted by arranging the brigades so that that army should have a representation from as many States as possible.

The sudden collapse of the war left the bulk of the volunteers in the great camps thoroughly disappointed at not having had an opportunity to participate in battle. When Santiago fell, it was apparent that there would be no more fighting in Cuba; and the natural result followed in a violent reaction from the bustling, ambitious life which had characterized the volunteer camps a few weeks before, when every man was endeavoring with all his energy to equip himself for his full duty against the Span-

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ish foe. A loss of enthusiasm, a desire to quit the service and an era of general carelessness followed in many regiments.

With the signing of the Protocol came the necessity for reducing the forces. This was not as hurried as the muster-in had been, for the reason that the Spanish army in Cuba was still intact, except that which had surrendered at Santiago. Great care was exercised, because the question of pensions for this volunteer army will depend upon the examination made at the time of discharge and the correctness of the muster-out rolls. The muster out of 100,000 volunteers was begun on April 18th.

When the Evacuation Commissions ordered to Cuba and Porto Rico rendered their reports, it became necessary to order 50,000 men to Cuba, to replace the Spanish garrisons until order could be assured. The Adjutant-General's office had a record of every Spanish organization which had been ordered for duty in Cuba, and of the post or camp it had occupied. With a few hours' study of the map and data on hand, the usual printed order governing the movement was issued, and copies of the map showing the stations to be occupied and the ports of disembarkation were supplied to the proper officials. The movement was carried out promptly; and, at the appointed day and hour, the Spanish flag was replaced by the Stars and Stripes on the Palace at Havana, signifying American occupation of the entire Island.

Now that this occupation is about to terminate by the transfer of the Island to the recently organized Cuban government, it should be a source of pride to every American that not a single officer or soldier has, during the four years of custodianship, been accused of any misappropriation of Cuban funds, of offending any woman or of injuring the most humble citizen. History does not record a higher example of discipline and soldierly honor.

During the autumn of 1898, the military situation was carefully studied, and a bill was designed to meet the country's requirements. It was passed by the House, but encountered strenuous opposition in the Senate, because it provided for a regular army of 100,000 men. As the session was drawing to a close and the conditions in the Philippine Archipelago were far from satisfactory, owing to the necessity of withdrawing the volunteers in the face of widespread insurrection, it became apparent that some compromise would have to be accepted or an extra session of Congress called. The President had an unusual load of responsi-

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bilities at the time, and an extra session would only have added to the burden. The demand of the opposition was that the regular army should be continued temporarily at 65,000 men and the President be authorized to raise 35,000 volunteers, this force to continue only until July 1st, 1901. A bill containing these provisions was passed with an amendment stipulating that on July 1st, 1901, the army should revert to the exact status it occupied when war with Spain broke out, each officer going back to the place then occupied—an impracticable and visionary scheme. The action of the minority was justified by them upon the plea that any law providing for a large standing army should be resisted, and that their party was opposed to the so-called abandonment of the volunteer system of defence.

The enlistment and transporting of volunteers to a scene of action ten thousand miles from their homes, for a comparatively short tour of duty, involved such an appalling expenditure of public funds that the President hesitated to use the authority conveyed in the act which was approved by him on March 2d, 1899. Action was delayed until it became apparent that the regulars could not possibly garrison Cuba and Porto Rico and fight the insurrection in the Philippines to a finish, without reinforcements. The history of our Indian wars is replete with incidents showing the futility of sending an inadequate force to bring into subjection hostile natives, such as those inhabiting the various Philippine Islands. The army was confronted with many serious problems, the solution of which demanded not only intelligence and wisdom, but a showing of well-organized force in the new possessions.

Once more the Adjutant-General was called upon to organize volunteer regiments. After brief consideration, it was determined to appoint regular officers to command the new regiments. The result was the rapid organization and putting into the field of thoroughly good and efficient regiments. The President determined that, the original vacancies in the lists of commissioned officers having been once filled, all future vacancies should be filled by promotions of the most worthy soldiers from the ranks. This induced the enlistment of numbers of excellent men.

For short terms of service at home, and when large numbers of men are required, the country must always rely, as it has done

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in the past, upon the volunteer soldier; but the conditions which actually confronted the Administration condemned as unwise the provision of the act for enlisting volunteers for the Philippine service, because of its perfectly apparent disadvantages. The experiment has been a most costly one, and the regiments raised during the summer of 1899 were mustered out, after a tour of service abroad averaging from fifteen to eighteen months. The excess of cost of this body of volunteers over what the cost would have been had regulars been employed, with the usual three-year enlistments, is estimated by the various supply departments to be $16,374,009.04—quite an item even in these days of enormous appropriations. It should be remembered that, while these volunteers were still in service under pay, it was necessary to raise other regiments to relieve them, just as they were organized to relieve the first army of volunteers which went to the Philippines. This not only involved a general upheaval of garrisons, but to the public treasury it meant a payment for two armies, during the period of change when neither was in position to render the kind of service required in managing a mixture of Oriental races in insurrection.

There is another feature of expense concerning which theories would be obnoxious, but in relation to which some statistics may be cited without giving offence. Pension attorneys have educated the great body of men who went into the Civil War from patriotism to believe that all are now entitled to pensions, whether they are disabled or not. The younger generations are all familiar with the pension system and its large appropriations. The pension agents found an open field during the War with Spain in the great volunteer camps; and, if the whole truth concerning their operations were known, the country would be shocked to learn how many thousands of well-meaning lads, who had just passed a rigid physical examination to enter the army, made all their arrangements for pensions before performing any duty. Such a practice condemns present methods and in the end will debauch a people.

The regular army has been singularly free from any accusation of pension-grabbing; and, if for no other reason, it deserves credit for this on the score of economy. The annual report of the Commissioner of Pensions shows that invalid pensions have been allowed, since July 1, 1861, to June 30, 1900, under the

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general law, to 556,255 volunteers, and under the Act of June 27th, 1890, to 451,531, a total of 1,007,786. During the period from July 1, 1861, to January 1, 1901, pensions have been allowed to 30,266 regulars, including, be it remembered, the wounded and invalided men of more than thirty years of almost constant Indian wars. To make the comparison intelligible, the total number of volunteers who enlisted during the Civil War, reduced to a basis of three years' service, is 2,324,516. The total number of men on the rolls of the regular army during the whole period from 1861 to 1900 is 577,000, including re-enlistments, for which a liberal deduction should be made, to avoid counting the same soldier more than once. The number of volunteers who saw service in battle during the war with Spain is comparatively small, yet 27,047 claims for pensions were filed up to June, 1900. These figures contain much food for thought, as well as an argument in behalf of a well-organized and cared-for body of regulars, to the end that the country may not be subjected to the great expense of calling out small numbers of volunteers for short-service periods. The increase of expense in the case of volunteers also arises from the waste and injury of public property which result from its being placed in the hands of inexperienced officers and men. The first year's allowance of clothing is about double that of the third year, so that the general law, limiting the service of volunteers to two years, will prove expensive, unless the war in which they are engaged is brought to a close well within the period named.

When the President called for volunteers, the Adjutant-General's office was simply overwhelmed—swamped, in fact—with requests for appointments or for authority to raise regiments. If any plan for such a contingency had been previously worked out by a properly organized General Staff, business could have been conducted with much less worry and friction than was inevitable under the circumstances. To any one visiting the Department during the trying period of several months following the destruction of the "Maine," it must have seemed like chaos; and, indeed, this seeming would have been a reality, had it not been for a group of self-sacrificing, accomplished and experienced staff officers, scattered through the various bureaus under the control of the Secretary of War.

The collection of military information is one of the important

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functions of the Adjutant-General, whose department constitutes, to a great extent, the General Staff of our Army, with the marked disadvantage that the rush and swirl of official visitors, together with an enormous volume of current, administrative correspondence, leave but little time for that calm and sober planning which is so necessary for the General Staff in organizing and mobilizing troops.

The records of the Adjutant-General's office constitute much of the military history of our country. Their accuracy and value depend upon the promptness and faithfulness with which the reports and blank forms are prepared, and the intelligence with which deductions are made therefrom. As an indication of the extent of this part of the work, four million blanks were distributed to the Army between May and August, 1898, in addition to the permanent record-books required for the use of every organization. This does not take into account the preparation and distribution of the important and extremely valuable maps of every theatre of campaign in which our troops operated in Porto Rico, Cuba and the Philippine Archipelago, and the correction, from time to time, of errors detected by our accomplished young officers, many of whom had received special training in topography at the Service Schools.

There is much in the story of recent events that brings to mind a critical period of American history, just one hundred years prior to the war with Spain. The danger of war with France was regarded as not only imminent, but actual invasion was so much feared that Washington was summoned from his retirement at Mount Vernon to Philadelphia for consultation regarding the organization of the new army. Washington's letters are filled with solicitude regarding the selection of officers, especially those of the General Staff, as he understood the term. The pressure for appointments was so great that Washington became fearful, and thus addressed the Secretary of War (McHenry) on the subject:

> "The applications are made *chiefly* through members of Congress. These, oftentimes, to get rid of them, oftener still perhaps for local electioneering purposes, and to please and gratify their party, more than from any real merit in the applicant, ..."

To those familiar with the inner history of the trying days of the nation's peril—1861 to 1865—and the more recent ex-

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periences of the war with Spain, these old letters of Washington and his confrères read like ghosts of living issues. An occasional divulgence of the secret story of some public act or appointment caused conservative citizens, then as now, to doubt the ultimate success of our government. Broader-minded and perhaps more practical men, however, realize that dreams of perfection in government are Utopian. The play for partisan advantage is the rule always in evidence, and nearly all progressive laws for the betterment of government are but compromises, in which the wise, patriotic and strong legislators are compelled to make terms with their opponents, to the end that great public good may not be wholly sacrificed. No class of legislation should be so free from party clamor as that which has for its object the perfection of the organization and administration of the Army. Well-considered laws and regulations governing the Army, administered through the proper military hierarchy, make the regular force the safest, the best and by far the most economical it is possible to have for ordinary occasions, and insure the keeping alive of military knowledge, traditions and customs which are of great moment to the security of the nation, and which will enable it always to mount guard with a bold front, while the great body of patriotic volunteers are organizing for battle.

Amongst the most important acts for the improvement of the Army during the past two years, may be mentioned the adoption of the three battalion system for infantry regiments, to conform to modern ideas of tactics and fire control, and the abolition of the regimental organization for the artillery and the adoption of a corps organization, with a large increase of officers and men almost sufficient to take care of the armament already mounted along our extensive seacoast. Under the corps organization each harbor is placed under the control of the senior artillery officer, who is charged with the operation of all the batteries, submarine mines and torpedoes. Under this system, the defence of each harbor is conducted as a whole with the unity prevailing on board a battleship, whereas under the old system, each post had its own commanding officer, subject only to the orders of the department commander, who might be a thousand miles away.

The most important piece of legislation, and the one which will be more far-reaching in its good effects than any other, is that which provides a fixed number for each organization in the

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line of the army and authorizes the President, in time of emergency, to increase the number of men in each organization without further action of Congress, provided the total number does not exceed one hundred thousand men. The value of this legislation can hardly be over-estimated.

The one crying need of the army during the past half century has been the want of a General Staff Corps, or body of officers whose business it is to do the preliminary planning for the army and to make of its various elements a more harmonious working machine. In this connection, a "Chief of Staff" must be substituted for the "Commanding General of the Army," or the General Staff will fall short of its full value. There is no place under our Constitution for a "Commander-in-Chief" and a "Commanding General"; and when this is recognized by appropriate legislation, the unbusinesslike methods and constant friction will disappear, to the great benefit of the country and the army.

A revision of laws relating to the organized militia of the country is an absolute necessity. The result of the war with Spain has been to place the United States in a position where it can no longer afford to neglect questions of such grave import to its future welfare.

Will the country profit by its past experience?

WILLIAM H. CARTER.

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THE CHOICE OF ISTHMIAN CANAL ROUTES.

BY JOHN T. MORGAN, UNITED STATES SENATOR FROM ALABAMA.

If a canal on either route were in all respects equally feasible and practicable and equally profitable as a money-earning investment, as a canal on the other, there are certain advantages to the United States in the selection of the Nicaragua route that must decide the choice in its favor. Among the most important of these advantages is the fact that, within the canal belt in Nicaragua and Costa Rica, there are not more than two thousand inhabitants, while there are more than thirty thousand within the canal belt at Panama. At Brito, there is no collection of people; at Greytown, not over 1,500 people; and between these points, a distance of 183 miles, the country is very sparsely inhabited. The occupancy of this belt, and of the towns or cities that will exist there, will be under the immediate control of the United States and we can prohibit the location there of any persons we may consider unworthy, or dangerous to the peace or health of the people in the canal belt, or to the security of the canal property. This situation is so important that its value cannot be estimated in money. It is an indispensable element of safety.

The preservation of a canal with locks, and of vessels navigating it, against malicious interference must require the greatest vigilance, authority and police power to be in constant exercise in the canal belt. This would be extremely difficult and hazardous in a canal belt located in an unfriendly country or among a turbulent and lawless people. The first requirement of security, therefore, to be kept in view in the selection of the route of the canal, is the good-will of the people and the government of the country where it is located. Without this, there would be such constant friction as to increase the cost of protecting the canal and to endanger the peaceful relations of the two countries.

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This is the first effort, in the history of the world, of one government owning and controlling a canal or great highway through the heart of the territory of another sovereign power, and there is no experience to guide us in projecting a plan or scheme of control that will meet all the necessities of the future. That we shall find occasion to correct some features in any arrangement that may be made now, is almost certain; and, whether we are engaged in laying the foundations of such a plan or in correcting errors or adjusting difficulties that may hereafter discover themselves, it is necessary that there should be sincere and friendly co-operation between the governments and the people concerned in the enterprise.

In view of these conditions, which are vital features of this new effort of nations to create new advantages to themselves, every fact is important that tends to give greater security to the peaceful and successful accomplishment of this great work and to its permanent maintenance.

If Colombia should concede to the United States such canal rights and privileges as are described in the Hay-Pauncefote treaty, an event that is not expected, it would place the police control of the capital of the department of Panama under the superior power of the United States, while it would still maintain the sovereignty of Colombia over that department, under the guaranty of the United States. This situation would greatly aggravate the ill-will which the people of Panama have long felt against the United States of America, and had its origin when we, through our treaty of 1846 with Granada, guaranteed the sovereignty of Colombia over Panama. We made that engagement to secure transit rights across Panama, and Colombia insisted on this guaranty in order to keep Panama subject to her authority.

Panama is an isthmian state with a narrow base connecting her with the other Colombian states. Their communication with Panama is almost exclusively by sea, and there is very little commercial or social intercourse between the people of Panama and the other states of Colombia. The various seditions and insurrections we have been called upon to repress in Panama have been political, and were promoted by factions that disputed the authority of the Colombian government. In these duties, under our treaty engagements with Colombia, we have incurred much

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ill-will among certain classes in Panama, which has been increased by recent events. So that it would not be safe to attempt to take over and complete the Panama canal, unless we are given such control over the cities of Panama and Colon, and over a much wider area than a canal belt of ten miles breadth, as would enable us to suppress these unruly elements on the canal line.

In addition to this very unfavorable situation, the population of the region included in a canal belt at Panama is of a low order and very turbulent. They have little agricultural employment, and there are no manufactures there. Nearly all the work they do is for the canal and railroad; the laborers who come from other countries are without permanent homes, and the settled population is but little better. To displace these people is impracticable, and to govern them by force would be a doubtful task involving a dangerous problem. Under such conditions, they would never be our real friends, if they were not found in open hostility to us.

Nicaragua and Costa Rica, with ports on both oceans, nearer to our Gulf ports by 300 miles, and to our Pacific ports by 500 miles, than Colon or Panama, have a valuable and rapidly increasing trade with the United States, which the Nicaragua canal would develop into a great commerce. The narrow and swampy isthmus of Panama has no trade of any importance and never can have.

Our acquaintance with the Nicaragua and Costa Rica people is far more general than with the people of Panama. They welcome our people as immigrants and encourage them in forming settlements in their countries, of which there are several that are very prosperous.

There is no other place where the project of the ownership and control of a canal by one nation, within the sovereign limits of other nations, could be so well secured against international jealousy and interference as on the Nicaragua route. The great artery of the San Juan river flows between Nicaragua and Costa Rica; and, if canalized, it will supply the life blood of commerce to both states, placing them in the centre of the equatorial belt of navigation around the world, by ships that will pass through the gates that connect all oceans and seas into one body, leaving no seaport without an ocean highway to every coast and seaport on the globe.

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The very existence of these states would equally depend upon the preservation and innocent use of this canal, and they would defend it, in their seaports and on land, with all their strength, against invasion. They would equally protect it against each other, should occasion require. Neither state could be tempted to make the rash effort to capture the canal and become its exclusive owner, for the great Republic of the United States would stand between them, as the owner of the canal, and would save it against all attack from either, or from any foreign assailant. This balancing of mighty interests, each committed to the preservation of the canal and its prosperity, would be such an ordering of the elements of peace, security and prosperity for Central America and for all the Powers concerned in the canal—indeed for all that navigate the seas—that it is to be hoped that such a providential opportunity shall not be lost through our weakness.

No such results can possibly be realized in Panama. If Colombia is supreme there, and if the department of Panama is subdued or reconciled to our exclusive ownership of the canal, there still remains the contest that will arise on the first serious dispute between the United States and Colombia, over the asserted rights of either party, or between Panama and the United States over a question of canal management or administration. The fifty years of controversy over the Clayton-Bulwer treaty would become a pleasant memory, compared with the irritations of such a quarrel, which only wars could settle. A quarrel in which any of the Latin American states would be involved with us, over a question of jurisdiction, has more of danger in it to the Western Hemisphere than the human mind can conceive, and we should, above all things, avoid such a possible event. In such a quarrel, the Monroe doctrine would disappear as a mist of the morning, and the French people—our revered friends—would be provoked into bitterness towards us for having aided those who have robbed them in this last, fatal act of spoliation. It is better to wait until Colombia and France have asked us to proceed, than to accept this fruitless scheme, while its environment is such as it is now, even as a gift, or to enter into a bargain with the perpetrators of wrong, to the alleged disadvantage of their victims.

If the Panama canal is the route we should adopt, if that route alone is practicable, or is best suited to the interests, welfare and safety of the people of the United States, let Congress muster the

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courage so to declare; and, when that has been done, let us wait until Colombia and the people and government of France have offered the canal to the United States on the basis of the Hay-Pauncefote treaty. Let us dismiss the Nicaragua canal to the possession of those who may choose to construct it, and take the risks of controversy that dealings with Colombia will involve. Sincerity of action is what the people demand of Congress, and the courage to do what is right. Another demand they make, that cannot be mistaken. It is that the good name of the people of the United States shall be saved from the reproach of the Panama scandals that have so deeply grieved the people of France.

No practical question connected with canal construction is so important as that of the healthfulness of the route to be selected. According to the report of the Isthmian Canal Commission,—who did not summon a doctor to assist them in their investigations—and the evidence taken before the Senate Committee, the Panama route passes through a region where yellow fever and Chagres fever have their constant habitat, and where, during the past fifty years, and for long periods before, many thousands of lives have been destroyed, the records of which have not been published, if they were kept, for reasons of a commercial sort. The difficulty of obtaining laborers, had the facts been revealed, would have been so great that it was inexpedient to permit them to be known.

This state of facts is met by some testimony to show that the malignity of these and other diseases has abated to some considerable extent along the Panama route, and by the confident prophecy that, in the future, that country will be healthy. On the other hand, the records and the proof before the Senate Committee show that the Nicaragua route has been absolutely free from yellow fever, and from any form of epidemic disease; although large bodies of men have been working there under every form of exposure in the water and on dry land, and in all sorts of labor, for years together. The record of Nicaragua and Costa Rica for health, at all elevations and under all conditions, compares favorably with any part of the coast country of our Southern States. This established fact is met by a prophecy that Nicaragua will be as trying to health as Panama when canal construction is under full operation. The facts, as to healthfulness, are in favor of Nicaragua, but the prophecy is against it;

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whereas the facts are against Panama, while the prophecy is in its favor.

In this situation the Senate Committee could not fail to affirm what the world knows to be true, that there are few places on the earth, if any, that have a worse health record than Panama. The record is so uniform and notorious that no traveller has written about Panama who has not uttered a warning as to the dangers of that climate.

If these actual conditions are to be changed, as to the future, by the mere prophecies of civil engineers, who have no unusual skill in hygienic matters, the undisputed facts remain, that cannot be removed by conjecture or disproved by forecasting the future. The two great facts which have been responsible for the unhealthfulness of the Panama route cannot be overcome by hygienic measures, and will be the same in the future as they have been in the past. The first is that yellow fever and Chagres fever are always found in the city of Panama, that the tide from the Pacific runs in daily to an elevation of twenty feet over a bottom of coral rock and mud, which is so shallow that merchant ships cannot approach the wharves nearer than from three to four miles, and that, when the tide runs out, a vast area of this surface is exposed to the direct rays of a torrid sun, which decompose the animal and vegetable matter brought in by the sea and the Rio Grande and other rivers, at or near the mouth of the canal. The second and fatal fact is, that there is no wind, for long periods, to blow away these poisonous gases, and they settle at night upon the cooler surface of the earth inland. It is beyond the wit or power of man so to change these natural conditions as to make Panama anything else than the nursery of malignant fevers, or to prevent it from infecting those people who have not become immune. Imported laborers cannot work along that canal line and under that tropical sun and escape sickness or death, in a very heavy percentage.

One fact alone would forbid the Panama experiment, if humanity is a factor in the problem. It is the fact that no sanitation is possible in the Bay of Panama, so long as the winds cease to blow there, and the ebbing tides leave thousands of acres of mud exposed to the tropical sun. No such condition is possible in any part of the valley of the San Juan River, or at Greytown, or in the lakes, or at Brito, or at San Juan del Sur. The Isthmian Canal

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Commission have either omitted to include the health of the Panama region, as a factor in the unit price of labor, or as a factor in computing the time it will require to complete the work; or else they have done injustice to the Nicaragua route, by giving it no credit for its health record.

It cannot be doubted by practical men, that the same amount of work can be done on the Nicaragua route, at a lower cost for labor than on the Panama route. Every man from the United States who is employed by the Panama Railroad Company is allowed two months furlough, with three-fourths full pay, in each year, to enable him to combat the dangerous effects of that climate.

The descriptions given by the witnesses before the Senate Committee, of the evident cause of sickness at Panama, closely correspond with the personal observations of Humboldt, in describing his travels in the countries of Central America in the early days of the nineteenth century.

The outlook for health in Panama and the adjacent country is unquestionably bad, and must continue to be bad under the conditions that exist and have always existed there, since the earliest times of its occupation by Spanish and other immigrants. By comparison with any other American port, except Porto Bello, it is excessively bad. The causes are permanent and natural. They cannot be overcome by any sanitary expedients.

They are alike at war with human life and the life of commerce. Panama is, at almost all seasons, the dead centre of barometric pressure, where the winds cease and the infected atmosphere is stagnant, and there is no propelling power for sailing ships. A more unfortunate terminal for a ship canal could scarcely be found.

Europeon emigration that is so much needed on our Pacific slope, whether by steam or sailing ships, would be so greatly endangered by a passage through Panama from the Caribbean Sea to the Pacific, that it would be practically cut off. On a sea voyage from a European port to our Pacific coast, in which the emigrant could bring with him his family and household effects on an unbroken journey, the class of people who would seek ocean transportation would be much higher than those who must find their way to the Pacific slope over long lines of railroad, with frequent breaks in the course of the toilsome journey. They could not afford the risk of life in passing through a region infected with

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deadly fevers, and they have, in the past, shunned the Panama route. With direct steamship connections between Colon and many European ports, and between Panama and San Francisco, the passage of emigrants through the isthmus has been almost at zero, according to the traffic reports of the Panama Railroad Company.

The conjectures and forecasts of those who base all their calculations, as to the commercial uses of an isthmian ship canal, upon the supposition that sailing ships will be displaced by steam ships, in ocean transportation, are met by stubborn facts. The present tonnage of enrolled and registered sailing vessels of the United States is 2,603,265 gross tons, and that of steam ships is 2,920,935—the excess of steam tonnage being only 317,670 tons. But the number of sailing ships is 972, while the steam vessels number 355, or nearly three sailing vessels to one steamer. As the Isthmian Canal is for "the people who go down to the sea in ships," and is not exclusively for corporate or other associations who own great lines of costly steamers, a just provision should be made for the sailing ships we now have, if no other such ship should ever be built.

But the conjecture that sailing ships must pass out of ocean navigation to give place to steamers is pessimistic in a terrible degree, and strikes down the mother industry of all commercial transportation. In the deposition of General Alexander, he states the true relation between steam ships and those propelled by winds, as follows:

"It seems to me that to rule out the sailing vessels forever from this country, in building this canal, is monstrous. The sailing vessel is not only very important in itself, but it is the basis of the rates made by the steamships, and the rates made by the steamships are the basis of the railroad rates in the country, so that practically all the rates in the United States are finally based at the bottom of the sailing vessels."

The route by way of Panama is practically impossible to a sailing vessel. In fact, as is clearly shown by the testimony before the Senate Committee, the relative growth of steam ships, as compared with sailing ships, in recent years, is changing, as the methods of rigging and handling sailing ships are improved, and their tonnage is increasing. The percentage of increase in sailing ships is growing in America, and in Norway and France it is greater than that of steam ships, in tonnage and numbers. Great Britain has built steam ships for thirty years past, with an eager-

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ness that she now regrets, in order to utilize the Suez passage, to sustain her commercial prestige, and to provide new grooves of commerce for her merchants, to new and distant ports; while France and Norway have steadily encouraged sailing craft, and are dangerous competitors in the transportation of the cheap and heavy commodities.

France has no coal to spare from home consumption, and Great Britain is witnessing the sale of American coals in her cities. How much longer she can afford to supply her steamers with coal mined in the United Kingdom is now a grave problem. This is also true as to Germany. When the British and German supply is exhausted, America must bear the brunt of supplying the world's steam marine, and we will, for a time, greatly increase the income of the coal fields by increased prices; but the people and the industries will share the tax with the steam ships; and that best feature of commerce—cheap transportation—will recall the sailing ship to its rightful place, as the mother of ocean transportation. No more frightful condition could be visited upon the world's commerce, than to strip the sails from all ships and put steam machinery in their hulls.

If we are preparing an isthmian canal for the exclusive use of steam ships, on the futile conjecture that sailing ships are doomed to pass away, our task is idle. To doom sailing ships to continue to pass through the dangerous seas around the Horn, and to add 10,000 miles to each voyage made by such vessels from our Atlantic ports to the North Pacific, for the benefit of steam ships, would be the height of injustice; and to turn over the coasting trade to steam ships plying between the oceans would be to rob one industry to enrich another.

If we adopt the Panama route no sailing ships will use it, for the simple reason that nature refuses to supply winds in the calm belt, which reaches from five to eight hundred miles westward and nearly three hundred miles northward in the Pacific Ocean, off the Bay of Panama. The proof is conclusive as to this fact, and is as certain and undeniable as that the Gulf Stream runs between Cuba and Florida.

Turning to the route through Nicaragua, and comparing it with the Panama route, we see from the chart prepared by our Bureau of Hydrography, that the trade winds, which are the steady supply of motive power for sailing ships on the great

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oceans, pass through the Nicaraguan depression, with constancy and concentrated force, and across the Pacific to the coast of China. The chart shows that they are perennial and always reliable. They bring healing in their wings, and fan the heated land until it becomes a temperate zone and makes Nicaragua a salubrious region, inviting to industry and rich in its rewards to labor. In this statement there is not the least color of exaggeration.

The hydrographic chart from the Navy Department, the result of actual and long-continued examinations, settles the fact that the trade winds from the Atlantic, which are practically perpetual, pass across the depression that contains the lakes of Nicaragua, in an unbroken sweep from Greytown to Brito, along the valley of the San Juan River. Here is a force of nature that moves across the Pacific to the coast of China to carry our commerce, as we hope, to important markets, through "an open door." Its constancy is shown by the rainfall at Greytown, as is clearly demonstrated in the testimony of Mr. Lyman E. Cooley, who says:

"I know of no reason for the excessive rainfall at Greytown, as compared with Limon and Bluefields, 60 miles away, except the drawing in of the trade winds by this trough across the continent acting like a funnel, by which is brought in double the amount of saturated air, which precipitates double the amount of moisture; so you have across that part of the isthmus double the air circulation, after the moisture is squeezed out of it."

Every test has been applied in Nicaragua and Costa Rica to determine the healthfulness of the climate, that has been applied in Panama, and the result, without exception, is conclusive in favor of Nicaragua.

Our consuls—Donaldson, residing on the lake shore at Managua, and Sorsby, residing on the coast at Greytown, for years together, and raising their children in those localities—give in their depositions a remarkable record of health and comfort. Quite as conclusive is the experience of General Alexander, who, as commissioner to locate the boundary between Costa Rica and Nicaragua, resided for more than three years at Greytown.

It is not stated that any of the foreign-born employees of the Panama canal, or railroad company, reside permanently with their families at Panama or Colon. On the contrary, it has been the rule as to railroad employees, for fifty years, to give them

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leave of absence, on pay, for two months in every year and free transportation to the United States to enable them to recover from the effects of the climate, which would otherwise be fatal to them.

The soldiers in Panama, in the present outbreak there, and in all previous service in the field, have been sick with yellow fever and Chagres fever, as is stated by several witnesses, and especially by Mr. Paine, the present superintendent of the Panama Railroad. We have the testimony of Col. Worthington, who was in the field with William Walker in his Nicaraguan campaign, that no sickness of a serious or epidemic character affected the soldiers engaged in that war, in which more than 2,000 men were engaged, for more than two years. Mr. Treat's deposition contains a narrative of actual experience in railroad building, from Greytown to the Divide, a distance of ten miles, through swamps and bodies of stagnant water, that proves the actual healthfulness of that region. He had in his employment 2,000 men for seven months, among whom only two deaths occurred.

When such facts are contrasted with the fearful epidemics that swept off unnumbered and unnamed thousands in Panama, the mind refuses to accept the proposition, that Panama is, or has been, or ever can be made, as healthy a country as Nicaragua, or that it ever can be reclaimed from the fatal fevers that have made it a Golgotha.

Such is, also, Mr. Plume's testimony, who was track-master for six years on the Panama railroad, and Dr. Bransford's testimony, who was surgeon of the Lull and Menocal surveys in Panama and Nicaragua.

The average distance between our Atlantic and Pacific ports is increased by 600 miles, if the voyage is made through Panama instead of Nicaragua. On a round trip, the increase is 1,200 miles. If a steamer can make one round trip each month between our Atlantic and Pacific ports, the distance lost on the Panama route, in a year, as compared with the route through Nicaragua, would be 14,400 miles. If her speed is three hundred miles a day, her lost time in a year would be 48 days. If it costs her $150 a day, her loss for a year would be $7,200; in 20 years, the average life of a ship, it would be $144,000.

Assuming that the income of the canal would be $8,000,000, at one dollar per gross ton for tolls, and that the ships that pass

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through the canal are each of 5,000 tons measurement, the number will be 800 per annum, making round trips. The increase of distance by the Panama route over the Nicaragua route for these 800 ships, for each year, would be 11,520,000 miles.

If it costs each ship $150 a day, the number of days being 48 for each ship, and 38,400 for 800 ships, the aggregate cost would be $5,760,000, and this would be the saving for steamships on the Nicaragua route every year. Half of this sum capitalized at five per cent. is $57,600,000, or nearly half the estimated cost of the Panama Canal.

These calculations are based alone on the transit of steamers through the Panama canal. Sailing ships are dropped from the calculation, by all parties, because they are impracticable on the Panama route.

The Bay of Panama is a neglected feature of the Isthmian Canal Commission's report. They treat it as an open and deep sea, entering from the ocean and furnishing a safe anchorage behind some islands four miles from the shore. It is quite the reverse. The navigation of the canal actually begins 100 miles from the pier at La Boca, where pilots are taken on the ships, and it is tortuous from the sea to the anchorage. The real navigation of the canal begins at the 35-foot curve, which is at least three miles from the canal entrance at Colon, and extends to the Pacific, which is 100 miles from the canal entrance at La Boca.

To ascertain the single fact which is the actual basis of the possibility of a canal at Panama—namely, the safety of a dam at Bohio—the plan of construction of the dam is the indispensable factor. Construction by monolithic masonry—such as in the dam at Conchuda on the San Juan River—is agreed upon as a safe and sure plan by all the engineers of the Isthmian Canal Commission and by all the other engineers who have testified on the subject. This sort of a dam is, therefore, the standard for a canal to be built by the government. The Commission, however, lower the standard of the dam at Bohio from a structure of monolithic masonry to one with a core of concrete, with earth facings on both sides, and a possible rock pavement on the top. This is done to get a cheaper dam at Bohio, and not so good as the dam at Conchuda that costs $6,062,972 with all wasteways, sluices, machinery and approach channels.

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In giving a preference to the Panama route, they provide a structure of less strength at Bohio, which costs, for the dam	$6,369,640
And for the double locks, which are set in an extension of the dam, and are part of that structure	11,567,275
	$17,936,915
To which is added:	
Gigante Spillway	$1,209,419
Lake Bohio	2,952,154
Peña Blanco outlet	2,448,076
Chagres diversion	1,929,982
Railroad diversion	1,267,500
	$9,807,131

In all, the dam, and its necessary adjuncts, would cost $27,744,046.

All this vast sum is the direct result of, and is unavoidably connected with, and is, in fact, part of the plan for the dam at Bohio.

This vast sum is to be risked on a plan that has no precedent in engineering experience, and it does not include a temporary dam at Bohio, the cost of which is estimated as being not below $500,000, and the necessity for which all engineers admit. The difference in the cost of these dams, each of which is a vital factor in the plan of the Isthmian Canal Commission, is $16,983,120 in favor of the dam at Conchuda, while the dam at Bohio compares with that at Conchuda as a scrap heap compares with a wall of steel.

The recommendations of the Isthmian Canal Commission are simply tentative and not final. They are so stated that they can give way to any plan for a dam that the constructing engineers may adopt, after further examination. This uncertainty is painful. It is disastrous because it affects the vital point in the Panama system of a canal with locks. If the dam at Bohio fails, all is gone and the canal is lost.

Until that canal has withstood the heaviest and most crushing floods that the Chagres River can precipitate upon it, no engineer and no sane man will feel safe against the total and irreparable loss of the entire Panama canal.

Of six engineers on the Commission, two, Morrison and Haupt, declare the dam at Bohio to be hazardous, beyond the extreme line of engineering experience; and the other four differ in the firmness of their convictions as to the certainty of success, and

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also as to the manner of overcoming the difficulties that startle their fears. Congress must act on facts that are ascertained by methods entirely satisfactory to the science of engineering. Such facts, confessedly, have not been ascertained at Bohio.

The borings are 50 to 100 feet apart, at irregular intervals, and none of them were made with the diamond drill. Not one of them penetrated the rock to determine whether it was solid, or was only a bowlder that had drifted into the geological valley in which it was found. They are admitted to be insufficient in number to justify the final location of the dam. The borings are across a deep geological rut, or gorge, called a valley, which was either cut out with rushing waters that poured through it in former times, or was broken out with uplifting forces of earthquakes or volcanoes. It then filled up, a distance of 127 feet to sea level, with alternating layers of gravel, sand and clay, washed in by the flow of the Chagres and other streams.

The French engineers, to avoid the search for rock foundations in a gulch so uncertain in its shape and depth, at once discarded the idea of a dam of masonry, and adopted that of a clay dam based upon this assorted collection of *detritus*. No dam, probably, ever had such a variety of materials beneath its foundations.

Mr. Morrison follows the French idea, which they derived from Menocal, who first suggested it. If it is safe, it is cheap and easy. If it is not safe, it is utterly disastrous.

Five engineers, including Menocal, say it is not safe for so important a work as is required at Bohio, to resist the extraordinary ravages of floods in the Chagres River, and Cooley concurs with them; while Morrison and Abbott insist that it is as safe as a masonry dam would be at Bohio. Unless safety can be found in the disagreements of great engineers, no safety can be found as to the dam at Bohio.

As it is admitted by all engineers that Bohio is the only point where a dam can be placed on the Chagres River, to impound the waters for the supply of 21 miles of the summit level of the Panama canal, and that without such a dam the canal cannot be supplied and the Chagres River cannot be controlled, the degree of certainty that common-sense and all engineering experience require, certainly beyond a reasonable doubt, cannot be found in the Panama scheme. It is very far from being true that this degree of certainty exists on the ascertained facts in this case, or

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that it is even reasonably probable that these basic facts will ever be found to exist.

On the contrary, facts were ascertained by De Lesseps in his great effort, at enormous expense, to construct a sea-level canal which, if they were examined carefully, would go far to show that a dam at Bohio will never be a safe reliance on which to rest the fate of a lock canal across the isthmus of Panama.

It was not the depth of the cut at Culebra that caused the old company to abandon a sea-level canal. It was the danger that the floods of the Chagres River could not be controlled, and that they would rush into the canal and destroy it.

Why do they not dig a sea-level canal and get rid of these doubts as to the Bohio dam? The answer is the same that Admiral Ammen and Mr. Menocal gave to the Paris Conference, and the same that the *Comité d'Études* and the *Comité Technique* gave in their reports, namely, that the Chagres River cannot be kept out of a sea-level canal and will destroy it. A canal filled with sea water, with a tide of 20 feet upon that, cannot afford to take in the waters of the Chagres even at low tide. The Chagres River drives the engineers away from a sea-level canal, as it will drive away their lakes and dams erected for its control.

In the face of such difficulties and doubts on the Panama route, none of which exist on the Nicaragua route, the choice of routes is a simple matter of common-sense which all can understand.

De Lesseps understood the advantages for a canal, with locks, at Nicaragua, and it was only when he failed to obtain a concession that he turned his attention to a sea-level canal at Panama; and that canal he failed to build after spending $250,000,000 of the money of the French people in the effort. Our Commissioners estimate that it would require $144,233,358 to complete the canal at Panama and save the $250,000,000 already expended upon it. But they cannot induce France, or the French people, to furnish that comparatively small sum; the reason being, not that they are poor, but that they are unwilling to spend more money on the doubtful success of a dam at Bohio.

JOHN T. MORGAN.

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BRITISH PURCHASES OF WAR SUPPLIES IN THE UNITED STATES.

BY W. L. PENFIELD.

I.

THE Government of the United States has not denied nor granted, either to Great Britain or to the South African republics, any right or privilege which is not equally conceded or refused to the other.

The duty of neutrality implies that the neutral state is equally friendly to and at peace with both belligerents, treating both alike, not conceding or refusing to the one what it does not equally concede or refuse to the other. The neutral state takes no notice of the merits or justice of the cause, nor of whether one or the other is or is not the more powerful on sea or on land. Its attitude is that of a disinterested spectator of the conflict, and its only legal concern and duty is to keep the rules which the law of nations has prescribed to govern the conduct of neutrals and belligerents toward each other.

The moment the neutral government considers the justice of the cause, with a view to action in behalf of the one or the other belligerent, it ceases to be neutral; it intervenes, and itself becomes a belligerent. Its right to act with reference to the conflict, as a neutral state, ends with the offer of mediation.

The accepted principle was stated by John Quincy Adams:

> "By the usual principles of international law, the state of *neutrality* recognizes the cause of both parties to the contest as *just;* that is, it avoids all consideration of the merits of the contest. But when, abandoning that neutrality, a nation takes one side in a war of other parties, the first question to be settled is the *justice* of the cause to be assumed."

There appears to be not a little confusion of ideas with regard to the duties actually owing by a neutral state, and the duties

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assumed or supposed to be owing by its citizens or subjects to the belligerent states.

The law of nations makes a wide distinction between the right of the state itself to aid either belligerent, by the sale to it of arms and other military supplies, and the right of its citizens to make such sales in the ordinary course of commerce. The latter was not prohibited by the Treaty of Washington, nor is it forbidden by the law of nations. The neutral state is at peace with the belligerents, and its citizens are rightfully engaged in the usual pursuits of peace. They are not to stop their business of planting, producing and selling as often as a war breaks out between foreign states. They rightfully assume that their government is at peace; that they, as citizens of the United States, for example, owe allegiance only to its laws, and these forbid their acceptance and exercise, or delivery of, a commission, within the jurisdiction of the United States, to serve a foreign state in a war against another state with which the United States is at peace; forbid their enlistment, or procuring others to enlist, within the jurisdiction of the United States, to serve abroad under conditions above stated; forbid their fitting out and arming, or attempting or procuring or being knowingly concerned in the furnishing, fitting out or arming of, or serving on or in, any vessel intended for employment in the service of either belligerent; forbid their increasing or augmenting or procuring, or being knowingly concerned in increasing or augmenting the force or increasing the equipment of, any such ship of war, cruiser or armed vessel for the uses above stated; forbid their beginning, setting on foot, providing or preparing the means for, any military expedition or enterprise to be carried on from thence against any other government, colony, district or people with whom the United States is at peace. These are duties prescribed by the municipal law of the United States, and the penalty for their violation can not be visited on citizens of the United States by any foreign government.

In short, the citizens or subjects of one state abiding at home owe no duties to any foreign state, in war or peace. If they go abroad, they are subject to the laws of the state wherein they sojourn; if they engage in war against a foreign state, they accept the corresponding risks, according as their service is regular or irregular; they forfeit thereby the protection of

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their own government, and are subject to the rules of military warfare.

But the state, as a member of the commonwealth of nations, owes certain duties to other states which vary according to the fact whether those states are at peace or war.

II.

NEUTRAL POLICY OF THE GOVERNMENT OF THE UNITED STATES BEFORE THE GENEVA ARBITRATION.

Under the Presidency of Washington, the lines of the national policy of neutrality toward the belligerent states were laid down in May, 1793, by Mr. Jefferson, in instructions to the United States Minister to Great Britain:

"Our citizens have always been free to make, vend, and export arms. It is the constant occupation and livelihood of some of them. To suppress their callings, the only means, perhaps, of their subsistence, because a war exists in foreign and distant countries, in which we have no concern, would scarcely be expected. It would be hard in principle and impossible in practice. The law of nations, therefore, respecting the rights of those at peace, does not require from them such an internal derangement in their occupations. It is satisfied with the external penalty pronounced in the President's proclamation, that of confiscation of such portion of these arms as shall fall into the hands of the belligerent Powers on their way to the ports of their enemies."

It was likewise with the President's approval that Alexander Hamilton, Secretary of the Treasury, issued in August, 1793, a Treasury circular announcing that:

"The purchasing within and exporting from the United States, by way of merchandise, articles commonly called contraband, being generally warlike instruments and military stores, *is free to all the parties at war, and is not to be interfered with.*"

These rules have been many times asserted since then in Presidential Messages and in instructions of Secretaries of State. While always conceding that the citizen thus trading takes the hazard of confiscation of the property sold, it has equally been asserted, both by the United States and Great Britain, that such sale does not involve any violation of the duty of state neutrality. The doctrine was declared in various forms by Pickering, Monroe, Adams, Marcy, Pierce, Seward, Grant and Fish. It was declared by Chancellor Kent; and also by the Supreme Court of the United States, in the case of the "Bermuda," in an opinion rendered in 1865, by Chief-Justice Chase, at a time when the United

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States Government and the Chief Justice were most keenly alive to the mutual rights and duties of belligerents and neutrals. The Court said that:

"Neutrals in their own country may sell to belligerents whatever belligerents choose to buy; . . . . neutrals must not sell to one belligerent what they refuse to sell to the other; . . . . nor prepare, nor suffer to be prepared, within their territory, armed ships or military or naval expeditions against either."

If the doctrine were otherwise, under the law of nations, the conditions of peace of the neutral state would be almost more burdensome than the state of war between the belligerents; as, in case of war between two great European Powers, like Great Britain and Germany, if it were forbidden to citizens of the United States to sell to either belligerent all articles which might be contraband of war, it would substantially annihilate our commerce; while the burden of policing with ships and soldiers the thousands of miles of our sea-coast, would make the state of peace perhaps even more expensive than the costs of war.

The attitude of the United States Government toward Great Britain during the Civil War and before the Geneva Arbitration Tribunal was not only consistent with, but a reaffirmance of, this doctrine; as it was with the doctrine announced by Jefferson, and approved by Washington,—that the building, equipping and arming of vessels in the ports of a neutral state, to cruise against any belligerent state with which it is at peace, is a breach of neutral duty. This view was also declared by Marshall, Monroe, Clay, Buchanan, Clayton, Pierce, Fish and Evarts.

Both rules were affirmed by General Grant in the neutrality proclamations issued August 22d and October 8th, 1870, during the Franco-Prussian War—by the assertion, on the one hand, that all citizens of the United States "may lawfully, and without restriction by reason of the aforesaid state of war, manufacture and sell within the United States, arms and munitions of war and other articles ordinarily known as 'contraband of war'"; and, on the other hand, by prohibition of the fitting out and arming of any ship or vessel for or in the service of either belligerent, or increasing or augmenting the force or armament of such ship, or setting on foot or preparing the means for any military expedition against either of the belligerents; and forbidding the use of the territorial waters of the United States for the purpose of pre-

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paring for hostile operations against either belligerent, and forbidding the use of such waters by the armed vessels of either belligerent for such purpose.

III.

THE GENEVA ARBITRATION.

The complaint of precipitate concession of belligerent rights to the Confederacy made by the United States against the British Government was not made the basis of an independent claim; but it was urged in support of the claims of indemnity which were laid against Great Britain on the ground of negligence (1) in permitting the building, manning, arming and equipment of the Confederate cruisers in British ports; and (2) in the subsequent complicity of the British Government in the furnishing of supplies to the cruisers.

Article VI. of the Treaty of Washington provided that:

"A neutral Government is bound:

"First, to use due diligence to prevent the fitting out, arming, or equipping, within its jurisdiction, of any vessel which it has reasonable ground to believe is intended to cruise or carry on war against a Power with which it is at peace; and also to use like diligence to prevent the departure from its jurisdiction of any vessel intended to cruise or carry on war as above, such vessel having been specially adapted, in whole or in part, within such jurisdiction to warlike use."

Rule 2. "Not to permit or suffer either belligerent to make use of its ports or waters as the base of naval operations against the other, or for the purpose of the renewal or augmentation of military supplies or arms, or the recruitment of men."

Rule 3. "To exercise due diligence in its own ports and waters, and as to all persons within its jurisdiction, to prevent any violation of the foregoing obligations and duties."

The last clause of the Article binds the high contracting parties "to observe these rules as between themselves in future, and to bring them to the knowledge of other maritime Powers and to invoke them to accede to them."

The question has been raised whether the port of New Orleans is being used, in contravention of Rule 2, "as the base of *naval* operations," or "for the purpose of the renewal or augmentation of military supplies." The question is founded in a complete misconception of the meaning and intendment of Rule 2, as expressly declared and interpreted by both governments before the Geneva Arbitration Tribunal. The meaning of the rule is not

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to be gathered from garbled extracts. The rule is to be construed in its entirety, in connection with Rule 1, and in the light of the common and contemporaneous interpretation of it by the two governments, defining its meaning and application.

In his learned work on International Arbitrations, Professor Moore points out that, after the treaty was negotiated, Lord Russell suggested that the second rule "might prevent the sale, by a neutral or in a neutral country, of arms and other military supplies in the ordinary course of commerce"; but Mr. Fish replied that "the President understood and insisted that the rule did not prevent the open sale of arms or military supplies in the ordinary course of commerce, as they were sold to the United States in England during the Civil War"; and that "the United States in bringing the rules to the knowledge of other Powers and asking their assent to them, would insist that such was their meaning."

The rule was never intended to involve a departure from the traditional policy of the United States, which, as a manufacturing and producing nation, generally at peace, is most deeply interested in maintaining, as far as is consistent with neutral duty, the ordinary rights of commerce. The neutral state is at peace with both belligerents; and its citizens, subject to the law of blockade and the risks of trade in contraband of war, have a perfect right to continue their ordinary pursuits. This was the declared view of this government in its controversy with Great Britain over the construction, equipment, and supply in British ports of cruisers of the Confederate States. This interpretation of Rule 2 was given by the United States before the Geneva Arbitration Tribunal, in clear, precise and unmistakable terms, as follows:

"The second rule provides that a neutral government is bound not to permit or suffer either belligerent to make use of its ports or waters as the base of naval operations against the other, or for the purpose of the renewal or augmentation of military supplies or arms, or the recruitment of men. *A question has been raised whether this rule is understood to apply to the sale of military supplies or arms in the ordinary course of commerce. The United States do not understand that it is intended to apply to such a traffic.* They understand it to apply to the use of a neutral port by a belligerent for the renewal or augmentation of such military supplies or arms, *for the naval operations* referred to in the rule."

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In order to show the violation by Great Britain of her neutral duties, in this particular and within the meaning of the rule, the counsel for the United States put in evidence before the Geneva Arbitration an extract from a speech of Earl Russell, Secretary of State for Foreign Affairs, as follows:

"It has been usual for a Power carrying on war upon the seas to possess ports of its own in which vessels are built, equipped, and fitted, and from which they issue, to which they bring their prizes and in which those prizes, when brought before a court, are either condemned or restored. But it so happens that, in this conflict, the Confederate States have no ports except those of the Mersey and the Clyde, from which they fit out ships to cruise against the Federals."

They also put in evidence the journal of the Confederate steamer, "Florida," and accentuated this extract touching its entry at Nassau: "*We took on board coal and provisions to last us for several months*"—showing that she had made use of a neutral port as a base of naval operations and for the augmentation of the ship's supplies.

The contention of the United States Government was that "British territory was, during the whole struggle, the base of the *naval* operations of the insurgents." In summing up the case for the United States, stress was laid on the fact that:

"During the whole course of the struggle in America, of nearly four years in duration, there has been no appearance of the insurgents as a belligerent on the ocean excepting in the shape of British vessels, constructed, equipped, supplied, manned, and armed in British ports."

The same interpretation of Rule 2 was placed upon it by the British Government. The language used in the argument of its case was:

"The second of the above rules is understood by Her Majesty's Government as prohibiting the use of the ports or waters of the neutral for the renewal or augmentation of military supplies or arms, *only when such supplies or arms are for the service of a vessel cruising or carrying on war, or intended to cruise or carry on war, against either belligerent; and as not prohibiting any sale of arms or other military supplies in the ordinary course of commerce; and Her Majesty's Government have no reason to believe that it is otherwise understood by the Government of the United States.*"

After the statement of both governments had been openly made to the Arbitration Tribunal and freely considered, it ap-

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peared that there was great divergence of view as to the scope of the meaning and application of the phrase "due diligence," which was a bone of contention throughout all the stages of the controversy. But as to the meaning and application of Rule 2, there was no difference of opinion between the two governments.

Now, it should be stated parenthetically that the first Article of the Arbitration Treaty formulated the matter which the two governments agreed to submit to arbitration, namely: Differences between the two governments "growing out of the acts committed by the several vessels which have given rise to the claims generically known as the 'Alabama Claims.'"

After full consideration by the United States Government of the interpretation already placed on Rule 2 by the two governments in their respective statements of the case, Mr. Evarts said in reply:

"The three rules of the Treaty furnish the imperative law as to the obligations of Great Britain *in respect of each of the vessels which is brought under review.* The moment that it appears that a vessel is, in itself, *within the description of the first Article of the Treaty,* as being one of the several vessels which have given rise to the claims generically known as the 'Alabama Claims,' it becomes a subject to which the three rules are applicable. . . . Whatever may be the scope and efficacy of the second Rule and of the third Rule, *in future or in general,* for the purposes of the present Arbitration the *subjects to which either of them can be applied, ... must be embraced* within the limitation of the first Article of the Treaty, and so, connected with some or one of the several vessels which have given rise to the claims generically known as the 'Alabama Claims.' But in regard to any such vessel, the general injunctions of these two Rules furnish, in their violation, a ground for the inculpation of Great Britain, and its condemnation to responsibility and reparation therefor to the United States. . . . The second Rule is as extensive as the general subject, under the law of nations, of the use of ports and waters of the neutral as the base of naval operations, or for the renewal or augmentation of military supplies, or the recruitment of men. . . . What are really commercial transactions in contraband of war are allowed by the practice of the United States and of England equally, and are not prohibited as hostile acts by the law of nations; *and it is agreed between the two countries that the second Rule is not to be extended to embrace by any largeness of construction* mere commercial transactions in contraband of war. . . . Whenever the neutral ports, places, and markets are really used as the bases of *naval* operations, when the circumstances show that relation, and that direct and efficient contribution, and that complicity and that origin and authorship, which exhibit the belligerent himself drawing military supplies for the purpose

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of his *naval operations* from neutral ports, *that* is a use by a belligerent of neutral ports and waters as a base of his naval operations, and is prohibited by the second Rule of the Treaty."

Hence, it was said, a war-ship of either belligerent "cannot make an ambush for itself in neutral waters, cannot lie at the mouth of a neutral river to sally out to seize its prey, cannot lie within neutral waters and send its boats to make captures outside their limits."

In support of the contention that British ports were used as a base of naval operations of Confederate cruisers, Mr. Evarts put the case of the "Shenandoah," which "illustrates by its career, on a large scale, the project of a belligerent, in *maritime* war, which sets forth a vessel and furnishes it complete for war, plans its naval operations and executes them, and all this from neutral (British) ports and waters as the only base and a sufficient base."

Illustrating the meaning and application of Rule 2, Mr. Evarts quoted from a speech of Mr. Gladstone in 1862, that "Jefferson Davis and other leaders of the South have made an army; they are making, it appears, a *navy*." He also stated the position of our Government in the words of Secretary Fish, September 25, 1869, that "the rebel counsels" have made Great Britain "the arsenal, the navy-yard and the treasury of the insurgent Confederates." And Mr. Evarts said:

"That was the controversy between the two countries, for the solution of which the Rules of this Treaty and the deliberations of this Tribunal were to be called into action; and they were intended to cover and do cover all the forms in which this use of Great Britain for the means and the opportunities for keeping on foot these maritime hostilities was practised. The first Rule covers all questions of the *outfit* of the cruisers; the second Rule covers all the means by which the neutral ports and waters of Great Britain were used as bases for the rebel *maritime operations of these cruisers*, and for the provision, the renewal, or the augmentation of *their* force of armament, munitions, and men. Both nations so agreed."

The two governments were therefore agreed as to the true meaning of the rule. The only query suggested was by Mr. Evarts, touching "the scope and efficacy of the second Rule and of the third Rule, in future or in general." The Arbitration Tribunal accepted the interpretation of Rule 2 adopted by the two governments, without discussion.

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IV.

THE FATE OF THE THREE RULES.

As already stated, there was much discussion and divergence of opinion between the two governments, during the Geneva Arbitration, as to the scope of meaning and legal application of the phrase "due diligence," with reference to the duty of the neutral state not to allow in a neutral port the construction, equipment, manning and taking of coal and supplies for a warship of either belligerent. The extent to which this had been done and permitted to be done by the Confederate cruisers, the Confederacy being without available ports of its own and making use of British ports as the base of its naval operation, was the grievance complained of. The whole subject of neutral and belligerent right and duty, as regards the sale by citizens of a neutral state of military supplies in the ordinary course of commerce, on the one hand, and, on the other, the limitations of international law upon the period of permissible stay of a belligerent cruiser in a neutral port, and upon the augmentation of its force, and upon the amount of coal and supplies it might be allowed to take, was exhaustively considered by the ablest body of statesmen and jurists whose attention was ever centred at one time upon that subject, when it involved the momentous issue of war between the two English-speaking nations. During the epoch which ended with the Geneva Arbitration, the Chief of this nation was a man who perfectly understood all the necessities and rights of war, and whose words, "Let us have peace," did not indicate any misunderstanding of the mutual rights and duties of neutrals and belligerents. The discussion was conducted on the part of the United States by such men as Seward, Adams, Fish, Cushing, Evarts, and Waite; and, on the part of Great Britain, by such men as Russell, Gladstone, Harcourt, and Palmer, and on the seat of Arbitration sat Cockburn for Great Britain and Adams for the United States.

It may be said, without the rashness of presumption, that, when such adversaries were especially charged, on either hand, with the vigorous assertion and jealous safeguarding of the rights and duties of neutrals, they "hewed to the line," when they all "agreed" that "the second Rule is not to be extended to embrace by any largeness of construction mere commercial transac-

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tions in contraband of war." This statement by Mr. Evarts came after the same interpretation had been given by the British Government of the meaning of the Rule, with the added statement that "Her Majesty's Government have no reason to believe that it is otherwise understood by the Government of the United States."

The course of the discussion had made it evident that the Rules would have to be recast, if they were to become workable "in future and generally," and if they were to receive the acceptance of the two governments and the adhesion "of other maritime Powers."

Professor Lawrence, a publicist of high authority and who is notable for his accuracy of statement, both of law and fact, says:

"The two Powers immediately concerned have never been able to settle the terms of a joint note inviting others to accede to them, and since 1876 have given up the attempt to do so. The governments of Germany and Austria let it be known beforehand that their consent would be withheld; and no state has shown itself eager to adopt the new formulæ."

Wharton says:

"The 'rules' themselves may be regarded as setting forth, in terms studiously general, certain propositions which few publicists would disapprove. But the treaty does not by itself give these rules the authority of a code, and this for the following reasons: (1) The 'rules' were only to be binding as rules of international law if accepted by the leading Powers, which they have not been. (2) They are not binding as permanent and absolute rules on England and the United States, because neither England nor the United States has ever considered them to be so binding; and because by the treaty that proposed them as temporary rules of action for guidance of a special and exceptional court, the permanent adoption is dependent upon their communication to the great European Powers, which communication has never been made. (3) Even if the 'rules' be binding, it must be remembered that, on the topics discussed in the text, they are couched in a vagueness which, no doubt, was intentional, and which leaves open the main points of dispute. It is to be observed, in addition, that, while the weight of authority is that the 'rules' themselves contain propositions which are generally unobjectionable, such is not the case with the decisions of the majority of the Arbitrators, who interpret the 'rules' so as to impose on neutrals duties not only on their face unreasonable, but so oppressive as to make neutrality a burden which no prudent nation, in cases of great maritime wars abroad, would accept. It will be at once seen that these 'rules,' though leading to an award superficially favorable to the United States in the large damages it gave, placed *limitations on the rights of neutrals greater even than those England had endeavored to impose during the Napoleonic wars, and far greater than those which the United States had ever pre-*

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viously been willing to concede. If such limitations are to be strictly applied, the position of a neutral . . . will be much more perilous and more onerous, in case of war between maritime Powers, than that of a belligerent. Our Government, to fulfil the obligations cast on it by these rules, would be obliged, not only to have a strong police at all its ports to prevent contraband articles from going out to a belligerent, but to have a powerful navy to scour the seas, to intercept vessels which might elude the home authorities and creep out carrying such contraband aid. Not only our Atlantic and Pacific coasts, but our boundary to the north and to the south contains innumerable points at which belligerents can replenish their contraband stores; and nothing but a standing army or navy greater than those of any European Power would prevent such operations." He adds that "the 'three rules' were temporary and exceptional and were to be only effective in case of ratification by the great Powers, which ratification was never given, as is maintained by Mr. Fish in his letters to Sir E. Thornton, of May 8 and September 18, 1876, communicated by Mr. Hayes in his message to the Senate of January 13, 1879. The same position was taken in the House of Commons in 1873 by Mr. Gladstone, Sir W. Harcourt, Mr. Disraeli, and the Attorney-General."

It is not the mere *fact* that some provisions, horses and mules may have been sold by citizens of the United States to agents of either belligerent and shipped from the port of New Orleans, but it is rather the *extent* of the sales and shipments, which has attracted comment and criticism. But the dimension of such transactions is not, and cannot possibly be made, the criterion of judgment on the question whether there has been a violation of neutral duty. If all the sales and shipments of contraband of war may not be lawfully conducted from one port, may they be distributed and lawfully conducted from a multitude of ports? The result is the same. The duty to prohibit and prevent in the one form would be not less solemn and imperative in the other. And the duty to prevent such sales and shipments or transportation from all points along our national boundary would, in case of war between two great European Powers, lay upon the United States the obligation of policing accordingly, and of preventing such sales and transportation, or the obligation to pay enormous indemnities for damages to either or both of the belligerents occasioned by the failure of the United States to do so. To prohibit the shipment or transportation in effect prohibits and prevents the sale of all the products of our factories and farms which may be destined for the military uses of either belligerent, and, in case of a great European war, would paralyze our com-

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merce. No such rule of neutral duty is known to the law of nations.

V.

PRACTICE OF NATIONS SINCE THE GENEVA ARBITRATION.

As already stated, the United States and British Governments were agreed in their interpretation of Rule 2. The position of our government, during the discussions which led up to the arbitration, was indicated by the Proclamation of President Grant, in 1870, that all citizens of the United States "*may lawfully and without restriction,* by reason of the aforesaid state of war, manufacture and sell within the United States arms and munitions of war, and other articles ordinarily known as contraband of war; yet they cannot carry such articles upon the high seas for the use or service of either belligerent, . . . without incurring the risk of hostile capture."

On the outbreak of the late war between the United States and Spain, the British Government issued a proclamation of neutrality, and also instructions to the Lords Commissioners of the Admiralty, which enjoined due observance by British subjects of the rules embodied in Article VI. of the Treaty of Washington. In respect of Rule 2, there was no prohibition of the sale of contraband of war, which had been expressly authorized by President Grant; but in respect of the other features of the rules, British subjects were prohibited from building within her Majesty's dominions, or equipping, or increasing or augmenting the warlike equipment or warlike force of, a ship of either belligerent, or from fitting out any naval or military expedition against any friendly state. The instructions *prohibited the using, by "ships of war of either belligerent,"* of British ports or waters "as a station or place of resort for any warlike purpose, or for the purpose of obtaining any facilities for warlike equipment," or from taking in "any supplies, except provisions and such other things as may be requisite for the use of the crew, and except so much coal only as may be sufficient to carry such vessel to the nearest port of her own country or to some nearer destination"; or "from carrying prizes made by them into the ports and harbors" of the United Kingdom or of her possessions. The language of the instructions is in exact harmony with Rule 2.

Germany has issued no proclamations of neutrality during the

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last twenty-five years, but the Foreign Office announced that strict neutrality would be observed toward the United States and Spain. The French proclamation announced scrupulous neutrality, and contained the main injunctions of international law with reference to the equipment and armament of belligerent war-ships and their permissible stay in French harbors, but no prohibition of the sale of contraband of war in the ordinary course of commerce.

The proclamation of Italy, a state which gives great attention to international law, contained elaborate injunctions upon the duties of neutrality with reference to the stay, the equipment, and the supply of belligerent war-ships with arms, ammunition, and provisions, in Italian ports; but contained no prohibition against the sale of contraband of war in the ordinary course of commerce.

No such prohibition is found in the carefully drawn proclamation of Japan; but the subjects of Japan were forbidden to supply "arms, ammunition, or other materials of direct use in fighting, to the men of war, or other ships used for warlike purposes or privateers belonging to either of the belligerent powers." The Russian proclamation contained injunctions on the duty of neutrality with respect to belligerent war-ships, but no prohibition on the sale of contraband of war in the ordinary course of commerce. No such prohibition was made by any one of the great civilized states which, with the United States, have created and settled, in the interests of the rights of peace and peaceful commerce, the principles of the law of nations.

Professor Lawrence in his work on the Law of Nations, published in 1895, well says:

"Every belligerent may capture goods of direct and immediate use in war, if he is able to intercept them on their passage to his enemy, in any place where it is lawful to carry on hostilities. But neutral merchants may trade in any ammunition and stores in time of war, as well as in time of peace. . . . . Whenever a trade in contraband of war reaches large dimensions, the state whose adversary is supplied by means of it is apt to complain. It reproaches the government of the offending vendors with neglect of the duties of neutrality, and argues that friendship and impartiality alike demand the stoppage of a traffic which supplies its foe with the sinews of war. But it invariably receives in reply a reminder that the practice of nations imposes no such obligation upon neutral Powers. They are bound to prevent the departure of armed expeditions from their shores, and the supply of fighting gear to belligerent vessels in their ports. When this is done, the utmost that can be expected of them in the matter of ordinary business transactions is, that

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they shall warn their subjects of the risk run by carriers of contraband merchandise, and give notice that those who incur them will not be protected by the force or the influence of the state."

In 1896, Alfonse Rivier, the celebrated Swiss publicist, published his great work on the Law of Nations. In summing up the principles of neutrality, he states that the neutral state may not permit the arming, equipping, and manning of war-ships on its territory, for employment against one of the belligerents.

"*The government of a neutral state* is not allowed to furnish directly to the belligerents arms, munitions, provisions, ships of war." (Such a sale of arms was complained of as made by the Government of the United States to France in 1871 under a statute passed July 20, 1868, before the war broke out.) But he adds that, "*the citizens or inhabitants of the neutral state are free to sell all kinds of goods, in time of war as in time of peace, and especially to the belligerents, or either of them.*" He "is at liberty to follow his vocation, to transact business, to make money. This intention is not unlawful, and a war between two states ought to injure as little as possible the industries and commerce of a third state which is not engaged in the quarrel." But, on the other hand, "the belligerent has a right to prevent the commerce exercised to his prejudice by the subjects of neutral states in things useful in war. The neutral individual who sells arms and munitions of war to a belligerent does so at his peril . . . at the risk of confiscation of his merchandise as contraband of war."

As a matter of fact, the Government of the United States bought in Great Britain, during the late Spanish war, over a million dollars' worth of arms and munitions of war. Spain was known to be buying large quantities of munitions of war abroad; and neither belligerent made any complaint of it, or any attempt to prevent it. Bought in the ordinary course of commerce, nobody supposed that there was any violation of neutral duty by the governments who permitted their subjects to sell to any customers who came to their doors.

W. L. PENFIELD.

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THE WAY OF THE WORKINGMAN.

BY CY WARMAN.

ONCE there was an artist in an alien land. He liked the place and the people, and so he concluded to build him a shelter and stay among them awhile. The men whom he employed in rearing his new home, though trained to the same tongue as himself, were all strangers to him, from the chief architect to the fair-haired boy who flogged the freckled pony and hauled the hods and hammers for the stone-workers; hauled them for fifty cents a trip—a dollar sometimes,—when any street dray would have performed the same service for a quarter.

Up to the time of signing the contracts, the artist had been a workingman. But that day he went over to the Capitalist column, and labor began to lie in wait for him. So long as he labored and lived in a rented house, where the builders had piped the poisonous sewer-gas in behind the wainscoting, instead of out through the roof, he had been a workingman; but the moment he began to scatter his savings by building himself a home, giving employment to the unemployed, he became the open enemy of the poor, the oppressor of the oppressed, with few rights that labor felt called upon to respect.

All the work was to be done by contract; so the men, of course, worked faithfully, and the new house grew rapidly. Meanwhile, the Capitalist got up with the lark every morning, and painted while the sun was catching and coloring the maples that the frost had nipped the night before. At eight o'clock, when the workmen went by to work, the artist's day was half done. In the afternoon the artist would go over and look into things, and, incidentally, take the temperature of the atmosphere between the contractors and their employees and himself. Each day the air grew grayer and colder. One day, when he caught the carpenters

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putting rotten timber into the roof-frame and protested, the head carpenter hinted that he would prefer to take his instructions from the architect. When the artist swore mildly, the carpenter put up his hands, and rolled his eyes skyward in pious horror.

However, on the whole, they were not a bad lot of men; and, at the end of six months, the artist moved into his new house. But he had lost caste. He never got back the respect of the men he had employed.

After a couple of years' work on the canvas, having recovered from his first experience as a Capitalist, the artist decided to enlarge his home. Being in a hurry, he determined to have most of the work done by the day, having in mind the rotten wood used by the contracting carpenters on the previous occasion. Accordingly, he called the architect and instructed him to gather the good people together. Now, when the old gang heard that the lamb had grown a new fleece and was about to lie down again, they all came with sharpened shears for the shearing. They were a fine crew, and, according to the artist's testimony, as loyal a band of Brothers as ever put hands into an employer's pockets. When a question came up between the artist and any one of them, that one could always count on the faithful support of all the others; for, right or wrong, they were with him.

The new carpenter was one of the very best in the place. He was more deeply and earnestly religious, if anything, than the rotten-wood carpenter had been. He gave out the first day that if anybody swore he would leave the job; but nobody swore, and he worked on.

The plasterer was one of the few men who were employed by the piece. The architect had told the Capitalist that fifteen cents a yard was the proper price for plastering; but this fellow, knowing the alien artist for an easy mark, made it eighteen, and the artist, being in a hurry, told him to go ahead.

At the last moment, when all was ready and waiting for him, the plasterer came. The melancholy carpenter met him beneath the artist's window, and they talked together earnestly, for a long time—the carpenter was paid for his time. Presently, the plasterer came into the house, and the carpenter moved as far away as he could go without forfeiting his claim to his pay. The artist went to the plasterer and remonstrated hotly at his tardiness, for he was already a day late, but the hard-finish man

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countered. He didn't care for the job, he said, and in any case he would not do it for less than twenty cents a yard.

"But you asked only eighteen," protested the Capitalist, "and now it is too late to look for another man. And see," he went on, "you get paid for three doors and three windows in this room on which you have to do no work at all."

"Twenty cents, or I take my traps away," said the fresco artist, and the alien nodded.

When it was all done and measured, the plasterer claimed only his twenty cents, but there was an extra yard in the next room, which had not been mentioned in the contract. For that yard the man with the white cotton uniform charged one dollar and fifty cents, and he got the money.

Not long after this, a raven flew over from the artist's country, carrying something which enabled the artist to enlarge his holdings and make many improvements. He always employed the same melancholy carpenter, for he was a good carpenter, and, according to his light, a good man; but he didn't use a headlight.

In conversation with the carpenter, the artist always avoided any reference to the plasterer, feeling that the carpenter must allude to the subject sooner or later, as surely as a hunted fox comes back to his starting point, or a murderer returns to the scene of his crime. But when the carpenter related the following incident, the artist exploded. The artist had been complaining about a leak in the summer kitchen which the robbers who had roofed it could not, or would not, repair.

"That reminds me of an awful funny thing that happened last Sunday morning to a friend of mine who is in my trade," said the carpenter, putting his plane down; and he almost smiled as he looked up at the artist. "Father Blank was in his bath, when the whole ceiling gave way and came down, filling the tub and burying the good man under an avalanche of lime, wet paper, and cold rain-water. When they had shovelled him out, the priest called my friend up and he hurried over. Father Blank asked him to go up and try to find what was wrong, before any more damage was done. My friend went above, and saw at a glance that the man who had put on a new roof the day before had left a joint unsoldered. He hunted the tinner up and told him what had happened; and the tinner sent a man over and had the thing fixed.

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"Of course," he added, reaching for his plane, "my friend didn't tell Father Blank, for he didn't want to make trouble for the tinner."

"Assuredly not," said the artist, quietly boiling. "Certainly, he could not be expected to do that! To be sure, the tin-roof man is a contractor, like himself—competing with him for work; but he is also a workingman, like yourself, and as such is entitled to your help. Of course, Father Blank had employed your friend as an expert to tell him what was wrong with the roof, but he is a capitalist, and all you people want from him is his capital and his good opinion. His blessing drives no nails with you, for you are of another creed, which makes it easier for you to do him."

The artist was sitting on the edge of a table looking down on the carpenter, who was kneeling in a heap of maple shavings on a hard-wood floor.

"What do you mean?" demanded the meek man with as much severity as he could; "I don't do anybody."

"I mean," said the artist, with his eyes full on the other's upturned face, "that when this poor priest employed your friend as an expert—taking into account, no doubt, the fact that he is a conscientious, Christian man—he had a right to expect from him loyalty to his employer, and not loyalty to the man who, by his criminal carelessness, had imperilled and outraged his reverence. Your friend should have felt himself in honor bound to tell his employer the truth, the whole truth and nothing but the truth, to the end that the man who was responsible for it all might be compelled to pay for his carelessness.

"But no; you must stand together. The tinsmith represents labor, the priest capital; and as between these there can be but one choice. I presume that the very fact of his having a bath-tub in his possession, and using it, would work against the priest!"

The carpenter kept his troubled face full upon the artist, and it was now mutely pleading for pity; but the artist was inexorable.

"You are about the best fellow I've had about me here," he went on. "You would not rob me, but you would hold me up while another went through me."

"I can't stand that," said the carpenter; "I want to know what you mean by *that*."

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"Listen," said the artist, "for I have suffered to say this for many moons. As often as I have written your name in my check-book have I longed to lay this down to you, and at last my time has come, and as yours goes on I'll say it. Listen! Once there was a hungry pirate of a plasterer who came into this very room, and held me up for three cents a yard for all the wall space and eighteen cents a yard for the doors and windows which he was not to do. When he departed, he was happy and I had been done.

"When he came to do the work, you met him outside, and talked low to him for a long time, glancing over your shoulder for me, but always at the wrong window. When you were through with him, he was dissatisfied, cross, cranky, and I had to add two cents more to each yard of work. For the last yard I paid him a dollar and fifty cents. You are a good, loyal fellow, Jack; but you helped that pirate to pinch me. Now, tell me, do you think that sort of thing square? Is it right or honorable?"

"Well," said the carpenter, with his eyes on the floor, "I had not looked at it in that light before."

"Well, that's the proper light," said the artist, slipping from the table, "and that's the way of the workingman.

"Pick up your plane, Jack, and go on with your work. I must go now, and paint a picture of this business, and I promise you upon the honor of a man—not a workingman, nor a capitalist, but a plain white man—that there shall be no extravagance, no waste of color, but the thing shall be depicted precisely as it occurred."

CY WARMAN.

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THE PUBLIC DEBT OF THE ARGENTINE REPUBLIC.

BY ALBERTO B. MARTINEZ.

THE funded external debt of the Argentine Republic, for which provision was made in the Budget for 1901, amounts to $386,004,-118 in gold.

Although this is the Public Debt that figures among the nation's liabilities, it is necessary to observe that the entire sum cannot properly be considered as such, for a large proportion represents securities that are held by the nation itself. The aggregate value of such securities is $31,980,135, gold. There is, besides, another very important item included in that sum, which is for payments made by the National Government for account of individual provinces, with funds provided by the latter. Under this group should be classified $34,000,000 belonging to the Province of Buenos Aires, $4,874,688 furnished to the Province of Santa Fé with which to settle all outstanding accounts and claims with the French Railroad Company of that province, $7,245,315 of Entre Rios province, and $7,699,998 of the "Banco Nacional" in liquidation, which, although a Government institution, advances the necessary funds itself to meet payment of this and other charges.

Deducting, therefore, these amounts from the $386,004,118 at which the total debt is figured, it will be seen that the total funded indebtedness weighing upon the national revenues is $300,203,982 gold.

I will hereafter show in what ratio this debt affects the nation's resources, what is its quota per capita of population, and how it compares with the national debts of other countries.

But first, it would be well to investigate the historical circumstances under which this debt was contracted and the reasons which justified it.

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The first loan negotiated abroad by the Republic was made a few years after the declaration of its independence.

In 1822, the Province of Buenos Aires had the good fortune to find a progressive and liberal government in power, which, owing to the many good works and improvements initiated during its administration, looms up as a landmark in Argentine history. The then President was General Martin Rodriguez, and among the members of his cabinet were Bernardino Rivadavia and Manuel José Garcia. That Government cast its penetrating glance across the vast wastes and desert tracts within the Argentine boundaries; considered the immense natural wealth lying undeveloped for lack of requisite resources, and realized that the three most immediate and vital requirements were:

1. The construction of a harbor adequate to the needs of traffic and interchange of produce with foreign markets;

2. A proper sanitary water supply, tending to promote the health of its inhabitants; and

3. The building of towns on the new frontier line to serve as advance posts of civilization, and as barriers to the frequent encroachments of the savage Indian tribes.

In order to carry out these important public works, the Government of 1822 decided to resort to foreign credits, negotiating a loan of £1,000,000 in six per cent. bonds and one per cent. sinking-fund provision through the firm of Baring Brothers of London.

Unfortunately, the Government disposed of the proceeds of this loan to establish a banking institution which was short-lived, and the public works referred to were not undertaken. Half a century elapsed before those improvements were at last carried out. This loan was negotiated in 1824 at seventy per cent., netting the Government $3,500,000 gold.

For many years, during the tyrannical reign of Rosas, payment of interest on these bonds was suspended. In 1856, after the overthrow of despotism, the Government of Buenos Aires commissioned Señor Norberto de la Riestra to enter into negotiations with the creditors and offer them, not only the pledge of punctual payment on all future interest accruing, but also the payment of arrears in deferred-payment bonds bearing one, and one and a half and two per cent. interest progressively, throughout a certain number of years, with a one half per cent. sinking fund. To-day, after payment of interest for 76 years, during which time the Republic

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has repaid many times over the sum received, there is yet outstanding in circulation from this loan the amount of £166,300.

The second loan raised by the nation was for the purpose of defraying the expenses of the war of 1865, provoked without reason by the "Tyrant of Paraguay." It was for $15,600,000 gold, and was exclusively applied to the use above stated.

The third loan was in 1870 for the sum of $5,214,888, gold, during the presidency of Señor Sarmiento, all devoted to public works.

Both this and the previous loan were later taken up and exchanged for refunded bonds bearing a lower rate of interest.

In more recent years, other loans have been negotiated by the Republic, which I will enumerate briefly.

The "Railroad" Bond issue, authorized by the legislature on October 2nd, 1880, was for $12,000,000, with which to extend the lines of the North Central Railroad, and those of the Andes Railway Co., besides building a branch line to Santiago del Estero.

These bonds, which bear interest at six per cent., redeemable through a one per cent. sinking fund, were placed in London in 1881 at 91. The issue was for £2,450,000, but there are only at present in circulation £351,340.

The "National Public Funds" loan was authorized by the laws of October 12th, 1882, and June 28th, 1883, for $8,571,000 national currency, the proceeds to be applied to the payment, by the Government, of the shares it had taken in the Banco Nacional, (to-day in liquidation). They are five per cent. interest bearing bonds with a one per cent. sinking fund. The original issue was for £1,714,200, of which £31,100 was amortized. The balance was taken by Messrs. Baring Brothers in March, 1884, at 84½. Consequently the actual amount in circulation is £1,683,700.

The bond issue sanctioned by legislature on October 27th, 1882, was for the purpose of undertaking the capital's harbor improvements, as a fresh impetus to foreign trade. The authorized emission was of $20,000,000 in six per cent. bonds, with a sinking fund of one per cent.; but there are only £1,976,600 in circulation.

The "Public Works" bond issue for $42,000,000 was authorized on October 21st, 1885, for the purpose of unifying various legislative enactments authorizing loans for different public works. These stocks bear five per cent. interest, redeemable through a

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one per cent. sinking fund. The amount issued under the general bond was £8,333,000, of which £4,000,000 were placed on the London market in January, 1886, at 80, and the balance in January, 1887, at 85½. The total amount in circulation is £7,581,200.

The loan known as the "North Central Railroad loan" is divided into two series. The first, authorized by legislature on October 9th, 1886, was for $20,000,000 gold. Of this sum, £3,968,200 were issued as follows: in London, June, 1887, £1,300,000, at 91½; April, 1888, £1,500,000, at 94; May, 1889, £1,168,200, at 97. The sum in circulation to-day is £3,768,400.

The second series, authorized on October 30th, 1889, October 16th, 1885, and October 9th, 1886, was for £15,000,000, gold, of which £2,976,000 were issued. Both issues were five per cents. with a one per cent. sinking fund, and were for the purpose of extending the lines of the North Central Railroad.

The "Banco Nacional" loan was approved by the law of December 2nd, 1888, authorizing a bond issue of $10,291,000 gold, with which to pay off the Government's indebtedness to the "Banco Nacional." These securities, which are also five per cents. with a one per cent. sinking fund, were placed at 90.

The "Treasury Notes Refund Loan" was authorized on June 21st, 1887. The total approved issue was to have been $5,078,330, national currency, but the amount actually issued was £624,000, in five per cent. bonds, with a one per cent. sinking fund. They were issued to replace the old nine per cent. Treasury bonds.

The "Province of Buenos Aires Government Loan" was authorized by legislature on August 15th, 1887. Its purpose was to enable the National Government to liquidate its outstanding indebtedness to the Government and to the Bank of the Province of Buenos Aires. The total issue was of $19,868,500, gold, in four and one half per cent. bonds, amortizable through a one per cent. sinking fund. These bonds were delivered at 90.

"The Six Per Cent. Debts Refund Loan" was authorized on August 2nd, 1888, for the object of calling in and replacing all Government stocks bearing the above rate of interest, by new securities at four and a half per cent. interest and one per cent. amortization. These bonds were negotiated in London in February, 1889. The entire issue of £5,290,000 was placed at 90.

The "Hard Dollars Refund Loan," through legislative enact-

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ment of July 2nd, 1889, authorized an issue of $13,000,000, gold, in three and a half per cent. bonds with a one per cent. sinking fund, to refund all government debts contracted in hard dollars. The total sum issued was £2,659,500; that in circulation £2,443,-340.

What is known as the "Consolidation Loan," authorized by an act of legislation on January 24th, 1891, is one of the most important operations of credit ever transacted by the Republic, and is interlinked with the political events of a period in the history of the Argentine, which it is of the greatest interest to investigate.

When, on the 6th of August, 1890, the government of the Republic was assumed by the new President, Señor Pellegrini, the country was suffering, to quote the words of the eminent Minister of Finance of that administration:

"From the effects of a political agitation carried to the highest excess, and was on the verge of the most violent and desperate financial crisis that ever confronted the Argentine Republic, and placed its honor in question.

"The national Treasury had exhausted all its resources in an effort to assist and save the credit of the 'Banco Nacional,' whose indebtedness, to the government, amounted to $47,491,483, paper currency, and $12,-641,120, gold; in favor of foreign creditors to $18,540,186, gold, and to local creditors, $11,644,000, gold.

"Furthermore, if the situation of the Banco Nacional was precarious that in which the 'Banco Hipotecario Nacional' and the Municipality of Buenos Aires found themselves was no less serious. The former institution was unable to collect $1,690,833, paper currency, and $556,374, gold, outstanding for unpaid interest on loans, and the Buenos Aires Corporation was burdened with debts amounting to $34,646,553, in paper currency, and $461,698, in gold, of internal debt, besides $9,800,000 of foreign indebtedness."

The new Government at once concentrated all its energies towards rehabilitating the credit of the Banco Nacional, placing the "Banco Hipotecario" in a position to enable it to continue to facilitate real estate transactions and conveyances of property, and reimburse itself for unsecured advances previously made, of regulating the disorders in every department of the municipality of Buenos Aires and placing it on a self-sustaining basis, and finally of either paying off, or coming to some agreement about, the foreign debt.

The fundamental basis of this important transaction was, in the language of the President's message accompanying the pro-

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ject, "to give the country a period of economic rest, suspending for a judicious length of time the exportation of the coin or bullion needed for the payment of interest on debts contracted by the nation abroad."

The principal conditions of this financial transaction amounted to a bilateral contract between the Government of the Republic and the banking concerns interested. By virtue of this agreement, the banks undertook to pay the interest on the funded debt and the subventions to the railroad companies, for a period of three years, taking in payment the equivalent in bonds to be issued by themselves at par value. The yearly emission of such bonds would, of course, depend on the sum required for the service of the public debt. The Argentine Republic on its side agreed to guarantee these bonds (which were six per cents.) with the receipts of the custom houses, receiving in payment of duties coupons or certificates maturing within the year. The nation solemnly agreed and bound itself, furthermore, in no wise to increase its external obligations, either in the form of new loans or in subventions, during the three years stipulated in the "Moratorium" agreement.

The total authorized issue was $75,000,000, gold, in bonds bearing the high rate of six per cent. interest, redeemable after three years and within thirty. The coupons of these bonds were to serve, as before explained, in payment of customs duties.

Fortunately, only $38,458,627, gold, were issued, leaving an authorized unissued balance of $36,541,373.

The "Sanitary Measures Loan," authorized by legislative enactment of January 30th, 1891, for $33,750,000, gold, in five per cent. annuities and one per cent. amortization, had the following origin:

The Juarez Celman administration that immediately preceded that of Señor Pellegrini, carrying to extremes the Spencerian doctrine, that the state is ever a poor administrator, falling into grave financial and political errors that later cost the country very dear, decided to turn over to private parties all the industrial enterprises or franchises that were the nation's property, among which were the water and sewerage systems of the City of Buenos Aires.

Very soon, however, it was evident to all that a serious error had been committed. The company that took charge of those

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two important services had no further interest than that of exploiting the public to its own advantage, which gave rise to repeated protests and complaints from the masses and classes alike. The Pellegrini Government, which came into power on August 6th, 1890, realized that it was not only an act of good administration, but at the same time an able political move, to have these monopolies revert to the state's control, and obtained, through an act of legislature, authority to negotiate a loan of $33,750,000 for this purpose. Under this authorization the sum of $31,874,-976, gold, was issued in five per cent. bonds, with a one per cent. sinking fund.

The loan known as "Rescission of Railroad Subventions" authorized by legal enactments dated January 10th, 1896, and December 31st, 1898, was contracted for the purpose of relieving the state from the onerous burden entailed by the grant to the Railroad Companies of an annuity of six per cent. on the total capital invested in the construction of railways throughout the country. It cost $58,499,784, gold, to accomplish this end, for which sum four per cent. interest-bearing bonds were issued, with a sinking fund of one half per cent.

The loan for the "Refunding of Provincial Debts," authorized on August 8th, 1896, is justified by the highest considerations of national solidarity, and of the prestige of Argentine credit. The enormous indebtedness contracted by the provinces, due in a great measure to the imprudence of European bankers, to the inflation of values following the heavy importations of borrowed gold, due also to the facility for obtaining credits, followed by the prodigal and thoughtless employment of such moneys, with the attendant consequences of insolvency and bankruptcy, had well-nigh, says ex-Minister Rosas, dealt a death-blow to the nation's credit. The National Government, it must be remembered, had taken no part in the contracting of those debts, had not intervened, in a single one of the loans, and was under no legal obligation whatever to accept such serious responsibilities; but at the same time, the discredit brought about by the state of insolvency of the individual provinces in every market of Europe, could not but affect the nation's credit. The National Government could not, on the other hand, remain indifferent to the perilous situation in which such a state of affairs had plunged the provinces. The national revenues for the most part were all pledged already,

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and, as above explained, the Government had acknowledged to the world its inability to pay full interest on its public debt for many years. Under these circumstances, legal action taken by the country's creditors would have seriously interfered with the administration of government, would have blocked the development of the country's natural riches, curtailed agricultural and industrial production, and generally injured Argentine prospects. These powerful considerations were what decided the national authorities to offer to assist the provinces to make fair and reasonable arrangements with their creditors abroad, and as far as possible, to free them from the weight of such appalling responsibilities.

The basis on which the greater part of these arrangements was made, was that of an exchange of four and a half per cent. stocks of the internal debt or provincial securities, for four per cent. bonds of the funded national debt, which the National Government agreed to deliver to the respective creditors of the former.

The grand total of the debts contracted by the provinces was $151,775,953.35, gold; in full settlement and complete cancellation of which indebtedness, the National Government delivered to the creditors the sum of $85,999,499.82, gold, in four per cent. bonds.

The interest on these bonds, together with the sinking fund appropriations, amounts to $3,869,977.49 a year. The National Government acquired, through this transaction, four and a half per cent. bonds of the internal debt of the "Subventioned Banks" law, to an amount of $45,876,164.82, interest and amortization on which aggregates $2,523,189.06. Adding to this figure, the $1,360,000, gold, which Buenos Aires contributes yearly, and the $256,103 from the Entre Rios province, we have a total of $4,139,292.06, as against an expenditure of $3,869,977.49. This exchange of internal for external debt securities produces a momentary profit of $269,314.57 in favor of the nation.

The Municipal Bonds Refund Loan authorized by legislation September 25th, 1897, and December 15th, 1898, provided for an issue of $7,700,000, gold, in four per cent. bonds with a one half per cent. sinking fund. The proceeds of this issue were to apply to the payment of claims of the creditors of the "Banco Nacional" in liquidation.

The law of January 5th, 1899, authorized a loan of $30,000,000,

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gold, with which to cancel outstanding debts of the public treasury, guaranteed by the liquor tax, up to $4,000,000, gold, a year. Fortunately, this loan was never carried into effect, and is not likely to be issued in the future.

Such are, briefly, the antecedents of the various external debts contracted by the nation.

Let us now examine the details of the consolidated internal debt, interest on which figures in the National Budget.

The following table gives the different items of the debt:

	In Circulation December 31, 1900	
	Gold.	National Currency.
Bank Subventions. Law of November 3, 1887. Rescission of guarantees.....	$3,125,000	——
November 3, 1887; Bank of the province of Mendoza.....	3,000,000	——
November 3, 1887; British Bank	250,000	——
Pensions, War of Independence. Law of September 2, 1881	——	142,083
Pensions, Brazilian War. Law of June 30, 1884.	——	398,100
Refund National Bank Stock. Law of October 16, 1891	——	11,876,000
Consolidated Internal Debt. Law of January 5, 1894	——	17,139,000
National Internal Debt. Law of June 23, 1891.	——	17,299,100
Extinction of the Lobster. Law of August 7, 1897	——	5,312,000
National Board of Education. Law of January 15, 1898	——	5,874,900
Popular Internal Loan. Law of May 17, 1898.	——	41,354,500
Total.....	$6,375,000	$99,395,683

From the above sum of $99,395,683, paper currency, should be deducted $5,931,700, the amount of the bonds of the loan for the consolidation of the floating debt of 1894, which securities are held by the National Government. This reduces the consolidated or funded internal debt to $93,463,983, in paper currency.

In the case of several of these loans, as for instance the "Consolidation of the Floating Debt, 1894," the "Extinction of the Lobster," and the "Popular Internal Loan, 1898," provision is made for the rapid reduction of the indebtedness by means of the sinking fund, so that most of these debts will be extinguished at a relatively early date.

The bonds of the "Bank Subventions" loan, bear four and a

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half per cent. interest, amortizable at one per cent.; those of the "Pensions" of the War of Independence and Brazilian wars, five per cent. and one per cent.; the "Refund of National Bank Stock" bonds, six per cent. and one per cent.; the "Internal Consolidated Debt," 1894, six per cent. interest with a six per cent. sinking fund; the "National Internal Loan," six per cent. and two per cent.; the Extinction of the Lobster, six per cent. interest and six per cent. amortization; the "National Board of Education" bonds five per cent. and one per cent.; and, finally, the Popular Internal Loan of 1898, with bonds bearing six per cent. interest and a rate of amortization of four per cent.

Returning to the External Debt, it should be noted that, among the nation's liabilities, there are:

3 loans aggregating $41,067,532.80, bearing 6 per cent. interest.
8 loans aggregating $133,176,375, bearing 5 per cent. interest.
2 loans aggregating $43,702,082, bearing 4½ per cent. interest.
12 loans aggregating $155,743,094, bearing 4 per cent. interest.
1 loan amounting to $12,314,433, bearing 3½ per cent. interest.

The mere enumeration of the different rates of interest at which the external debt of the Republic is at present taxed, shows the necessity of an attempt tending towards the consolidation or unification of the debt, so as to modify its present irregular aspect and remove that source of danger to the nation's credit.

It is necessary to begin by calling in all the bonds of the Morgan loan of 1891, and all other six per cent. securities, then all five per cent. and four and a half per cent. stocks, until a general and total unification is accomplished at a standard rate of four per cent. as corresponds to the Republic's credit.

A recapitulation of the foregoing figures shows that the total external debt bearing on the National Treasury (after deducting the value of the securities held by the Government itself, and the sums actually provided by the provinces) amounts to $300,203,-982, gold; and that the total internal debt (also after deducting the value of securities held by the Government) reaches $6,375,-000 in gold, and $93,463,983 in paper currency.

We shall now study the budget and discover what proportion the public debt bears to the total estimate of national expenditures.

According to the Budget for 1901, the nation applies the following sums to payment of interest and amortization on its External and Internal Debts:

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	External Debt.	International Debt.	
	Gold.	Gold.	National Currency.
Interest or annuities.....	$17,746,469.65	$168,750	$6,046,666.67
Sinking Fund	4,311,426.28	35,000	6,047,143.45
Commissions	132,132.15	——	——
Total.....	$22,190,028.08	203,750	$12,093,810.12

In addition to this, an item of $2,000,000, gold, figures in the Budget under the Public Debts appropriation, for "expenses connected with the payment of interests on sums advanced, losses and discounts on remittances, stamps on bills of exchange, fees, commissions, brokerage and other expenses incidental to the public debt." Although this amount does not in reality form part of the sums paid over to the creditors in payment of the debt, it nevertheless is directly chargeable to the Public Debt account, as it is indispensable to the service, in permitting the Director of Finance by its means, to make transactions at short notice incidental to the funded debt, which would be otherwise impossible. Therefore, in computing the total expenditures incurred in the service of the Public Debt, that charge must of necessity be taken into account.

The nation, therefore, required in 1901, $22,190,028, gold, for the service of the External Debt, and $12,093,810 in national paper currency; and $203,750, in gold, for the Internal Debt, plus $2,000,000, in gold, for discounts, interest on sums advanced, brokerage, etc.—or, in other words, a total of $24,393,778, in gold, and $12,093,810 in paper currency.*

But out of this sum the government receives $1,930,379, in gold, for interest accruing on bonds held by itself.

The total Budget of expenditures for all branches and departments of the government for 1901 amounted to $24,094,796, in gold, (after deducting the $1,930,379 reverting to the Government for interest on securities), and $89,940,499, national currency, which at the legal rate is equivalent to $39,573,819, in gold, making an aggregate total of $65,598,994, in gold, of which the service of the Public Debt absorbs $27,744,675, or forty-four per cent. of the total national expenditures.

This ratio is enormous, but in extenuation it should be remarked that in the figures given for the service of the Public Debt,

* The last legislative enactment fixed the value of a dollar currency at forty-four cents gold.

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there are included the sums of $4,311,426, in gold, and $6,047,-143, national currency, destined to the extinction of equal amounts of indebtedness through the operation of the sinking fund, which, instead of being an expense, is economy.

Nevertheless, the figure that still remains is enormous. With a population of 4,500,000, the *per-capita* burden on each and every inhabitant of the Argentine Republic for the payment of the public debt alone is almost $7, in gold.

With these facts and figures before us, is it permissible or fair to apply to the existing conditions in the Argentine Republic the doctrine held by so many authorities on Political Economy, that, when the obligations of its Public Debt exceed forty per cent. of the total budget, or revenues of a nation, a crisis has been reached in which that nation stands on the brink of ruin and bankruptcy?

Undoubtedly that theory is based on sound principles of financial science and confirmed by the experience of several nations, but it must be remembered that such teachings are mainly applicable to European nations, to the Old World, where the growth of population, the increase of wealth and all the phenomena of social and economic existence, develop in a regular, measured way; but not to a new and unexploited country like the Argentine, of vast natural and undeveloped resources, susceptible of momentary and unforeseen increase in wealth and population, and where events succeed each other with lightning rapidity.

The authors to whom I have reference admit, moreover, that in calculating the ratio, in which the Public Debt can be said to burden or tax a nation's resources, there are many elements to be taken into consideration. This statement renders investigation by comparison along these lines extremely difficult.

The total amount of the Public Debt is not, in itself, sufficient to enable the student to ascertain the financial condition of a nation, for it might well happen, as in the case of Australia, that the proceeds of the debt contracted had been invested in productive works, yielding vast revenues to the National Treasury.

Nor is the *per-capita* quota of a public debt a safe indication of a nation's financial buoyancy. As a dead-weight of 50 kilos., let us say, might overtax the strength of the weakling, while comparatively light to the athlete, it is possible that a public debt that appears exorbitant to one nation can be easily taken care of by another, according to its vitality and resources.

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The only way, therefore, to satisfactorily calculate the burden of a public debt is by comparison with the public wealth and with the chances and prospects of its increase and development. Following this line of investigation, it will be found that the Argentine Republic holds out the most promising hopes and gives evidence of the most encouraging results already accomplished, which induce a relative assurance of its ability to meet its future obligations. If the value of a nation's exports can be taken as a sign of its commercial prosperity, a glance at the increase in shipments of produce to foreign markets from Argentine ports in the past decade, should prove most encouraging. In 1890, Argentina's exports amounted to $100,818,000; in 1899, they reached $181,917,000, in gold!

Simultaneously with the increase in her export trade, Argentina has developed her revenue-making power with extraordinary elasticity, making it possible for the Government to undertake important public works, to perfect the branches of administration, to build up and equip the foremost navy in South America, and spread the blessings of primary and secondary education by means of public schools throughout its territory.

In 1889 the total revenues amounted to $72,903,756, and in 1890 to $73,150,856, national currency; in 1899 they had increased to $45,676,188.82 in gold, and $61,419,990.16, national currency; while in 1900 they were $36,249,351.41 in gold, and $62,128,968.80 national currency.

A country in which such rapid strides are made in the line of progress is surely in a sufficiently healthy condition to shoulder, without misgivings for the future, the weight and responsibility of its Public Debt, large as it is. But this confidence in its own resources should not blind its people to the fact that its present condition is a very delicate one, that any reverse or setback, such as the loss of its crops, a visitation of the plague, the closing to its produce of international markets, or a sudden decline in the value of its exportable products, is liable to place the nation in a critical position. The most rigid economy and discretion in the management of its finances are the nation's first duty.

But this alone is not sufficient. It is necessary that, on their side, the foreign creditors of the Republic should realize how extremely delicate the situation is, and that, interested as they are in securing their investments, they should be willing to accept

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some form of arrangement, whereby a short recuperative rest might be granted to the National Treasury, even to the extent of renouncing temporarily the collection of interest on their capital, on condition that such momentary loss should later be compensated for, by the issuing of new bonds.

They should take into account, that, if out of a total revenue of $65,598,000, the Republic applies $27,744,675 to the requirements of the Public Debt, the remaining $37,854,000 are hardly sufficient to meet current expenses of government, and also to provide the necessary funds for undertaking improvements and public works indispensable to the development of a new country lacking in roads, canals, ports and other necessary instruments of commercial reorganization and prosperity.

The nation's creditors should, furthermore, be well satisfied with the uses to which the money they loaned has been put. It is true that a small proportion of this money was not applied to the purpose for which it was borrowed; but it is no less a fact that the greater part of it has been employed in the carrying-out of works of important national usefulness, which could not otherwise have been accomplished.

ALBERTO B. MARTINEZ.

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